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BRIEFS

POLL SHOWS MAJORITY FOR NATO--The Hague, 30 Apr--A majority of the population --60 to 65 percent--consider that the Netherlands can only defend itself effectively within the NATO Alliance and that the existence of nuclear arms has helped to prevent war. This is clear from an opinion poll carried out by NIPO at the request of the Society and Armed Forces Foundation. The results also indicate that this majority also believes that the Netherlands and other European countries cannot do without U.S. support for their security. A minority (27 percent) take the view that the Netherlands should leave NATO if the Alliance continues to adhere to nuclear arms. Around 42 percent do not believe that it makes any difference to security whether nuclear arms are deployed on Dutch territory or not. A majority (59 percent) consider it relatively unlikely that a war between East and West will break out in the next 10 years. Around 40 percent consider that there is such a likelihood. [Excerpt] [PM060847 Rotterdam NRC HANDELSBLAD in Dutch 30 Apr 82 p 3]

CSO: 3105/174

MUMCU COMMENTS ON SNAFUS IN TERRORIST PROSECUTION

Istanbul CUMHURIYET in Turkish 2 Mar 82 pp 1, 9

[Column by Ugu Mumcu: "Civilization Line"]

[Text] Rightist armed activist Abdullah Catli, wanted in connection with the murder of Adana's Director of Security Cevat Yurdakul, has been caught together with Mehmet Sener, one of the suspects of the Abdi Ipekci murder case, in Switzerland and released. The reason: paperwork on Catli has not yet been received by the Swiss police.

We witnessed such situations before. It was officially announced that death convict Isa Armagan was caught in Iran and that he would be extradited; Iranian police eventually released Armagan.

A number of rightists armed terrorists were released in West Germany because paperwork on these terrorists was not performed in time.

How have these rightist terrorists escaped from prisons or under what circumstances have they been released? Who has provided them with forged passports? Who has helped them to escape abroad? Some of these terrorists are being prosecuted; others remain unknown.

Other mysteries involve the foreign links of those who provided Mehmet Ali Agca [convicted in Italy for attempting to murder Pope John Paul II] and his friend Omer Ay with forged passports from the Nevsehir Security Directorate and the identities of the contacts of the gang--headed by a Turkish citizen of Armenian origin in Istanbul--that has been supplying forged passports to terrorists.

It is impossible to understand why the paperwork on rightist terrorists is taking so long. If anybody understands why, we would like to hear from him.

Let us think honestly. When the suspects are leftist intellectuals or writers we do not see any improprieties or delays in paperwork; everybody seems to be doing his job with full awareness.

But paperwork on rightist murderers is taking long or is being delayed.

Let us give another example. According to Article 5 of the Turkish Penal Code, any Turkish citizen convicted abroad of a crime carrying a minimum prison sentence of 3 years must be prosecuted in Turkey as well. This is a legal requirement. Interpol provides Turkish authorities with information on criminal cases involving Turkish citizens. But these persons are not prosecuted in Turkey. Most of these persons are smugglers; they walk the streets free.

A story comes to mind. At the time of the 12 March 1971 military intervention, I was teaching assistant in Administrative Law at the Ankara Faculty of Law. I was detained, arrested and prosecuted on a tip from one of our students. At the session when the sentence would be passed the presiding judge was replaced. Together with the votes of the new judge and prosecutor, I was convicted by a majority of votes. The other legal expert sitting on the bench dissented.

In law books we read that arrest is not a "penalty" but a "preventive measure." But, at that time, particularly in political cases, arrest was implemented as penalty rather than a preventive measure. Consequently, I remained arrested for a year for a case in which I would be acquitted later.

Then what happened? Our "idealist" student who reported me and other members of the faculty to the authorities, graduated from the school and became an attorney. Together with the prosecutor colonel who convicted me he became the defense lawyer for a smuggler. He became defense attorney for Omer Frauk Erden, a narcotics smuggler who supplied the weapons for the Palestinian guerrillas who occupied the Egyptian embassy in Ankara [in 1978].

This tipper student of ours is now defense lawyer for all smuggling cases in Ankara. "The right of defense is sacred." We have no objection to that. The only thing I can say is that I consider it an interesting coincidence that the student who reported us to the authorities and the prosecutor who convicted us joined hands to defend a smuggler.

Legal work requires a lot of responsibility. Prosecuting a former Prime Minister, held between two gendarme soldiers, in a case in which it is obvious he will be acquitted later and then asking for his acquittal is such a responsibility. Is it not?

Is arrest a "penalty" or is it a "preventive measure" as the books say? Let us put these "theoretical" considerations aside and ask: "Why has not the paperwork on Abdullah Catli reached the Swiss police in time?" Why have not legal proceedings undertaken against persons sought by Interpol?

Do you know when we will become civilized? The day we understand the difference between an intellectual and a murderer or a smuggler.

Is it so hard to understand the difference?

9588

CSO: 4654/225

BRIEFS

ENERGY CONSUMPTION DECREASE --In the FRG energy consumption will continue to decline in 1982, too. This conclusion comes from a forecast by the Rhine-Westfalian Institute for Economic Research (RWI), Essen. In contrast to last year, when consumption of primary energy in the FRG had declined by 4.5 percent to 373 million tons SKE [hard coal units], this year, to be sure, the researchers in Essen are figuring on only a roughly 1 percent reduction to 370 million tons SKE. In their opinion, the effort to save energy would still continue even if energy, as is assumed, in part becomes less expensive. There might well be a clearly lower decrease than so far in the demand for petroleum products since possibilities for a rapid saving of heating oil and gasoline or replacing them with other energy sources might, for the present, be fairly well exhausted. In the past 2 years the demand in this area had decreased by a total of 20 percent. According to the institute in Essen, on the other hand, the demand for hard coal might once again show a slight increase because its use to generate electricity is to be expanded, according to the contractual agreement between the coal mining and electricity industry. For the present the requirements of the power plants for brown coal on the other hand might not increase further because the demand for electricity will increase only slightly and more electricity might be available from nuclear energy than last year. In the opinion of the RWI, total natural gas consumption might increase again somewhat in 1982 following the noticeable decline last year since the demand in private household continues to increase. [Text] [Duesseldorf HANDELSBLATT in German 31 Mar 82 p 14] 12124

CSO: 3103/403

ETUC CALLS FOR ECONOMIC STIMULATION PROGRAMS

The Hague ANP NEWS BULLETIN in English 23 Apr 82 p 1

[Text] The Hague, April 23--The European Trade Union Confederation (ETUC) has urged West European governments to give their economies a spending impulse of one per cent of gross national product as part of a strategy for job-creation and economic recovery.

The confederation's four-day congress, which ends here today, made its appeal in a 20-page general resolution adopted yesterday by delegates representing 34 trade union organisations in 19 West European countries.

The resolution warned against efforts by individual countries to improve their competitive position by restricting domestic spending.

It said such an uncoordinated approach would not produce the envisaged improvement of the balance of payments, but merely promote a deflationary spiral in Europe as a whole.

Jointly the countries have more possibilities for an anti-cyclical policy of stimulation which will enable them better to counter deflationary pressures.

Stop Restrictions

'Government must start by stopping restrictive policies and must jointly agree to provide an immediate spending impulse of one per cent of the GNP,' the resolution added.

Turning to investment the confederation urged all West European countries to make substantial investments in the public sector, and to attune national programmes so that they will strengthen each other.

Congress rejected the view that inflation can be tackled only by allowing unemployment to rise, pointing out that inflationary pressures remained strong despite Western Europe's highest rate of unemployment for a generation. It noted that Western Europe had at least 13 million registered jobless now but that the real figure was higher. It warned that the figure would rise to 18 million before ETUC's next congress in 1985 without a basic change in policies. The resolution outlines a policy aimed at combating inflation. The five-point policy includes coordinated measures to prevent the rise of monopolies and cartels and to keep down interest rates.

CSO: 3120/59

LOSSES BY STATE-OWNED INDUSTRIES PLAGUE ECONOMY

Hamburg DIE ZEIT in German 16 Apr 82 p 31

[Article by Wolfgang Freisleben: "The Bag of Tricks Is Empty--Employment at Any Cost Has Driven State-Owned Industry Into a Crisis"]

[Text] German politicians and trade unionists are forever casting envious glances toward Austria, the "isle of the blessed" in a sea of unemployment. And on occasion, socialists from the Alpine republic have touted their creation as a model for export. But now their economic policy bag of tricks is almost empty. And the crisis from which almost all Western industrialized states are suffering has infected the Austrian economy also. It forecasts an average unemployment rate of 3.4 percent for 1982. While this is much smaller than the approximately 7 percent which is in store for the FRG, it still is the highest unemployment rate since 1959.

Last winter some regions even showed double digit unemployment rates. In Burgenland for example it amounted to 15.3 percent; 11.6 percent in the vacation province of Carinthia. To exert some control of the labor market, the Vienna parliament has been issuing special laws like a production line--either to raise billions for a job creation program or to subsidize one of the state-owned industries. This additional fiscal burden will very likely destroy this year's budget from the first of the year on.

Nevertheless the governing Socialist Party (SP) continues to achieve a unanimous "party consensus" with the opposition People's Party (VP). For official purposes this always happens for the benefit of the economy. However, behind the scenes the parties are always making use of the opportunity of making a tradeoff with their political opponents so as to benefit their clients of the moment.

The OeVP for instance was successful in trading its agreement to a subsidy law for the near-bankrupt Laenderbank for the legal establishment of corporations which are to aid in raising new risk capital. The socialist must be in dire straits to agree to such compromises which are in such conflict with their ideology.

Things are very difficult indeed. The exploding budget deficits no longer permit fighting unemployment with constantly escalating government

expenditures. Simultaneously, the enterprises of state-owned industries, which like to be seen as unsinkable ships, are listing dangerously. To keep them afloat, new and fantastic refinancing schemes are constantly invented. Even the Federal Reserve Bank is brought into play to preserve the "public economy," which during the socialists' uninterrupted 12 years of government has been endowed with the aura of a creed, from bankruptcy. The nationalized sector of the economy has entered a critical situation because its personnel was given what amounts to guaranteed employment and the top jobs are too frequently filled with former politicians or party favorites instead of by skilled managers.

A Collection of Moribund Firms

The "public economy" system includes, apart from the usual community enterprises, also those industrial enterprises, banks and energy producers which are included in the nationalization laws of 1946/47.

Former opposition chief Josef Taus once called this conglomerate, which now requires billions in tax money to be artificially kept afloat, as a "drill field for socialist economic policies, one step on the way toward a socialist Austria." As a former secretary of state for the nationalized economy, Taus knows whereof he speaks. That which was once praised by the public economy theoreticians as a counterforce to capitalism is today a heap of rubble--a collection of moribund enterprises.

That is why Austrian economic policy makers now have to worry about a crisis-battered group of nationalized enterprises, in addition to the many scandal ridden projects at the community level, e.g., the Vienna General Hospital (AKH), the Rinter garbage reclamation project of the Simmering disposal plant (EbS).

Of the eight enterprises constituting the state holding company OeIAG [Austrian Industries Management Co], which has a total of 112,800 employees and a gross income of DM 24 billion, only Chemie-Linz will show a profit for 1981; the state-owned oil company OeMV-AG [Austrian Oil Administration] will be able to pay the dividend required by the state holding company only by dipping into its reserves; the machine tool factory Simmering-Graz-Pauker (SGP) will show neither profit nor loss. So much for the good news.

Overall results for the nationalized enterprises, which were on the deficit side for the first time in 1980, will be much more so for 1981. The profits derived from Chemie-Linz and OeMV will nowhere near balance the losses sustained by the other state industries. Apart from this, capital investments are urgently needed not only by the steel mills and the Elin electrical works, but also by Chemie-Linz, the Bleiberg mining union and the once more crisis-plagued non-ferrous metal group Vereinigte Metallwerke Ranshofen-Berndorf.

The most disastrous results of 1981 were experienced by the steel group of the VOeST-Alpine [United Austrian Iron and Steel Works, Inc], which has some 60,000 employees. The management of Austria's largest enterprise, often called the flagship of the domestic industry, had for many years cleverly managed to hide

the true extent of the catastrophe by accounting manipulations which were on the borderline of or just beyond legal practices. For the 1980 annual report the balance of the reserve was mobilized. To be able to balance the books for 1981 also, it was necessary to have a transfusion of DM 200 million worth from tax revenues.

This year there will once more be a requirement for about DM 70 million for the head enterprise of the conglomerate, VOeST-Alpine, and another DM 285 million for its hard-pressed high-grade steel subsidiary VEW. Alfons Vallon, the only representative of the small FPÖ opposition party on the board of directors of the state holding company OeIAG, referred to this financial transfusion at the taxpayers' expense as "a subsidy for misery."

Warnings Ignored

Organizational deficiencies are boundless. Maintenance of industrial structure under pressure by workers' representatives in management bodies (many of whom are also parliamentary delegates) and the concomitant guarantee of employment have produced chaos in the enterprises. Oskar Gruenwald, director general of the OeIAG and a member of the SP, blames the crisis in state-owned industry on adverse environmental factors, as does Federal Chancellor Bruno Kreisky. But in now demanding an adaptation to the new situation, they are doing so at a moment when this is more difficult than ever before, when unemployment last winter climbed to an international level of 5.4 percent and an annual estimated average of 3.4 percent. Subsidizing measures which were barely possible to implement in the enterprises in the past will hardly be more popular in view of mounting unemployment.

None of this comes as a surprise. Former VOeST chief Herbert Koller had given warnings ever since the early 1970's that steel production in Austria was no longer competitive. Franz Geist, OeIAG director general at that time, had also urgently pressed for reorganization. But those warnings were no more heeded than were those by the international consulting firm Booz, Allen & Hamilton in a controversial report recommending plant shutdowns.

The fact that the crisis of state-owned enterprises has nothing to do with bad business conditions is evidenced by the dilemma facing the Laenderbank, the second largest bank in which the state has a majority ownership; rescuing it required two special laws. The management, which was fired last year and has been appointed strictly according to proportional party representation, had achieved a situation whereby during the last 2 years the Laenderbank was involved in every one of the major industrial bankruptcies alone: that of the formerly well-established showpiece of a privately owned camera manufacturing firm, Eumig, which had been encouraged to take on a risky adventure by the chancellor himself; that of metal plate industrialist Adolf Funder; and that of Oesterreichische Klimatechnik [Austrian Climate Technology] (OeKG).

But money alone is not enough to rescue a bank. Additional steps required to keep the mismanaged organization alive are an extensive reorganization, training of the employees and introduction of electronic data processing in the branch offices. But even that would not be enough. That is why the man

in charge of the rescue operation, Franz Vranitzky, former secretary in the Vienna ministry of finance, concocted a fantastic scheme which enable the Laenderbank to show profits and pay dividends despite the loss of billions. A specially passed law permits a writeoff of loan failures over 25 years--guaranteed by the state, at that. Added to this is an annual supplementary partnership contribution by the minister of finance, equalling the amount of lost interest, at present amount to about DM 43 million per year.

The OeKG bankruptcy also has consequences for its affiliate, the Elin electric works, which transcends direct losses. The three contracts of the OeKG in Saudi Arabia, undertaken for "national economic reasons," will produce much greater losses than the originally expected DM 36 million. That is why the proposed transfusion of cash amounting to DM 72 million will hardly suffice for a long-term stabilization.

Just as is the case at VOeST, a major reorganization is needed for Elin so as to fend off irreversible bankruptcy. Entire product lines must be discontinued and replaced with products showing greater promise in the market.

The cooperation of boards of directors and trade unions is a prerequisite for the success of a reorganization. Even with intensive retraining of the 10,000 employees the reorganization could not take place without large-scale firings.

The state-owned enterprises which have contributed to the so-called Austrian employment miracle through job protection were financially drained thereby and suffered technological impairment. In view of the precarious financial situation of entire conglomerates, this policy of tail dragging is probably over forever.

Thus everything is now happening all at once. Because there is no money in the plundered public funds for government construction projects which have been the rule for several decades, as many as 53,000 construction workers are unemployed today. They, along with thousands of others, must in addition accept the fact that due to that same lack of funds the labor offices are late in paying their unemployment benefits.

9273

CSO: 3103/431

STEEL ISSUES DIVIDE CHRISTIAN, SOCIALIST UNIONS

Brussels LE SOIR in French 19 Mar 82 pp 1,2

[Article by V.d.d.: "The Slipping of the Steel Industry Finishes Clipping the Wings of the Common Union Front"]

[Text] The "excesses" of the demonstration by the Walloon steelworkers on Tuesday in Brussels, have definitively clipped the wings of the common union front. Especially on the side of the Christian unions, where they have been trying for weeks both to spare the Christian democrat allies in the government and to prevent any slipping of the rank and file actions from union oriented into political.

And clearly, Tuesday's "slipping" of the steelworkers seems to have completely cooled off the CSC [Confederation of Christian Trade Unions]. Consequently, it will organize on its own a large national demonstration, to be held on 27 March in Brussels. Without the FGTB [General Federation of Labor of Belgium], which in turn has announced a general strike for Friday, 26 March.

Apparently, a "cautious" decision on the part of the CSC. But which, in the current social climate, could paradoxically inflame the situation. At a time when the employers, "without seeming to want to have anything to do with it," are asking the industrialists to apply the government plan as much as is possible. At a time when the PRL [Liberal Reform Party (Walloon)] is reviving the controversy by organizing a public opinion poll on the right to strike and on pressure groups. At a time when the new chairman and managing director of Cockerill-Sambre, Mr Vandestruck, has been received by Mr Davignon, who confirmed to him that on Wednesday morning the European Commission ratified the Belgo-Luxemburg steel agreements of Hanzinelle, which were updated on 23 February last and imply a grant of 21 billion francs to Cockerill-Sambre; at a time when this same Mr Vandestruck is trying hard to reconcile the two basins. And, finally, at a time when the division of the common union front will only provoke competition in actions among regions, sectors, basins and administrative staffs.

The calendar of future demonstrations is proof of this ferment. Thursday, 18 March: third day of the FGFB's rotating strikes in the South and in the North, Luxemburg, Namur, Ghent, Roulers (this morning, the roads in two provinces, Namur and East Flanders, were blocked). Thursday, 25 March: national 24 hour rotating strike -- as a common front. Friday, 26 March: general interprofessional 24 hour strike, called by the FGFB alone. Saturday, 27 March: national CSC demonstration in Brussels.

In fact, the common union front never surfaced again -- on the national level that is -- after the famous "Friday strikes" of February 1977. When the two unions, together, reacted against some austerity measures implemented by the Tindemans-De Clercq administration, measures which however were infinitely less "brutal" than the crossing of the Rubicon and the three stages of special powers of the Martens V administration.

As of the beginning of the year, this potential common front would suffer two fatal blows, from which it would not recover: the liberal presence and its desire to disregard the practice of social consultation which was judged to be too lengthy; the socialist absence, and consequently the fact that for this government the working world is represented only by its Christian Democrat elements.

Thus, as soon as the first intentions of the government became known, the two main unions developed diametrically opposite strategies. The FGFB wanted "to hit quickly and hard" and to maintain an everyday pressure to prevent the application of the special powers, the CSC preferred to wait for the moment to judge the Martens V administration on actual evidence, that is to say on its policy as a whole.

These differences in analysis and strategy were more or less concealed last month, when the Walloon activists of the CSC participated in the national 24 hour strike of the FGFB on 8 February. And when, the following week, the Walloon FGFB and CSC decided to conduct a week of common actions.

Today, at the time of reckoning -- as the three stages of special power measures have been actually put into place --, it seems that the CSC has definitively swept away the last opportunities to rebuild the common front. On the one hand, because it is above all opposed to the politicization of union actions. And in this perspective, Tuesday's "steel revolution" and the rotating actions by regions of the FGFB are aimed only at anti-government objectives.

On the other hand, because the simple fact of organizing a national demonstration on 27 March in Brussels already constitutes a serious inconsistency for the national president of the CSC, Jef Houthuys, and for the Flemish majority of his organization. And that consequently, to march in common front against the government policy could only worsen the social climate and the efforts of the Christian democrat "allies" in the government.

Paradoxically, however, the fact that the Christian union will demonstrate alone and about claims which do not bear directly on the three last stages of government measures could intensify social tensions even more and add to the current confusion.

First, because it will not be possible to "channel" the explosion of actions of all kinds on the part of the rank and file, and which has been growing for weeks, into a large national demonstration. Next, because 1 year before the social elections, the union organizations run the risk of conducting a veritable competition of actions (thus, the FGTB, which for a month had been hoping to organize a large demonstration in Brussels and which finds itself short-circuited so to speak by the recent CSC decision, will cancel its fourth and fifth days of rotating strikes, planned for 23 and 25 March, and will replace them with a national interprofessional strike day on 26 March, the day before the planned CSC demonstration).

Finally, because such a divorce within the common front at the national level, as it were, abandons to their own fate those workers who are pursuing specific actions in their own sector, such as the railroad men or the steelworkers. And all of this at a time when the Liberal Party "lays it on" by organizing a public opinion poll on the right to strike and on pressure groups...

8463

CSO: 3100/510

RESEARCH MINISTER ON ECONOMIC CONSEQUENCES OF MICROELECTRONICS

Hamburg DER SPIEGEL in German 12 Apr 82 pp 236-248

[Interview with Research Minister Andreas von Buelow by Juergen Petermann and Winfried Didzoleit at his ministry in Bonn about the economic and social consequences of microelectronics: "'There Is No Point in Singing the Blues'"]

[Text] SPIEGEL: Mr von Buelow, when this SPIEGEL interview is set and printed, it will not be a couple of dozen machine typesetters and hand compositors who will be gainfully employed in the job, as would have happened only a year ago, but the whole thing will be done by a computer-controlled phototypesetter. Do you actually find this kind of destruction of jobs desirable?

Von Buelow: I don't find it desirable; only, I am afraid that as a modern industrialized country we simply cannot shut ourselves off from this kind of future. We can maintain our standard of living only through exports. Every fourth mark is earned abroad, and generally with highly technological products. Almost all the products we sell, as far as their operation is concerned, are increasingly being determined by microelectronics.

A country and an industry which employ microelectronics in time will get and keep a share of the market. An industry which adjusts too late will lose a share of the market, as we have already witnesses in some branches.

SPIEGEL: The fact that microelectronics devours jobs is not in doubt, however?

Von Buelow: That is one aspect of the matter. But one must not forget that microelectronics also creates new jobs by making possible new products through combinations of qualities which have not been possible in the past simply because a mechanical processing of such a plethora of information is altogether unthinkable.

Take for example, the antilocking system for brakes of trucks and cars developed by Bosch jointly with Daimler-Benz, where about 400 pieces of information per braking are processed. Mechanically that is altogether unthinkable, and only microelectronics has made it possible. So there is a new product, which also means new jobs.

SPIEGEL: It seems to us that this is an example of an existing product being improved by microelectronics--but no additional demand arises for trucks or passenger cars.

Von Buelow: So far the locking of brakes has occurred in case of ice and relevant weather conditions. This system now prevents it, and sooner or later this will appear in millions of products--an additional product which, to be sure, will also make the vehicle more expensive, but one for which everyone is prepared to spend the relevant amount in order to guard against an accident as a result of locking brakes.

SPIEGEL: Let us take another example--the teletype machine made by SEL in which 936 mechanical parts have been replaced by a single microprocessor. Instead of 75 hours, now only 18 hours are needed to manufacture such a piece of equipment.

Von Buelow: No doubt; it is true of many products of precision mechanics that microchips have this kind of rationalization effect. Mechanical teletype machines could not be sold any longer, however. On the other hand, there are products which become much less expensive--for example, in the music industry, where home organs are built which used to cost about DM 30,000. Now they are sold at a price which a larger number of people can afford...

SPIEGEL: But who besides the chancellor really needs a home organ?

Von Buelow: ...Admittedly a limited, though not negligible, number of people. Microelectronics makes it possible for such products to be made less expensive to such an extent that they move within sight of the average consumer. I think one must take this into account when one talks about rationalization and reduction in costs as a result of microelectronics.

SPIEGEL: The fact remains, however, that microelectronics necessarily leads to increasingly fewer people being able to manufacture an increasingly larger number of goods in the same amount of time. How, in fact, can one explain the circumstance that your ministry, within a DM-300-million employment program, of all things, spends tax funds to promote particularly these job killers?

Von Buelow: Because you can see already that German machinebuilding and many other branches of industry cannot survive without microelectronics. Anyway, there exists a quite considerable danger that machinebuilding might be too late with the introduction of microelectronics and therefore would lose a share of the market to Japan and the United States.

SPIEGEL: Surely this ministry has not only just begun to promote microelectronics. And yet the FRG by no means leads the parade of progress in this field. For example, we have to import 50 percent of our needs of integrated circuits from the United States and Japan. What actually went wrong there?

Von Buelow: I cannot engage here in writing the history of the ministry. What is a fact is that as late as 1976 we were clearly behind in the

technology of microelectronics. Meanwhile things have developed to a point where we are about even with the international leaders in the technological mastery of microelectronics.

The problem in the Federal Republic is that application of microelectronics has not yet been developed sufficiently. In the United States and Japan the consumption of microelectronics per capita is twice as large as in this country. Our promotion program is to help tap new applications.

SPIEGEL: What do you think you can accomplish with DM 300 million distributed over 3 years compared with the huge research and development expenditures in Japan and in the United States?

Von Buelow: But this is just the portion which is to raise the application aspect. Another 132 million in 1982 will go into the technology of microelectronics and into software technology, which are quite crucial.

We cannot compare with the United States. There the figures are the following: What German industry achieves by way of turnover with microelectronics is about equivalent to the research expenditures of U.S. industry, which moreover are officially subsidized with funds by the U.S. Defense Department.

SPIEGEL: Because of too slow employment of electronics, the Germans have already been left holding the wrong end of the stick in three fields of international competition--cameras, watches and entertainment electronics. Will it be possible to halt the threatening lag in the machine tool industry?

Von Buelow: First of all, what you are saying leads to the conclusion that for good or for ill, we depend on mastering and employing this technology--job killer or no. It is impossible to stay away from it, or else there will be a dramatic drop in this country's high standard of living. In the case of clocks [Grossuhren] and in entertainment electronics, your assumption is partially correct.

What is more important, however, is the fact that the Federal Republic is the biggest supplier of industrial equipment in the world. This is a specialty one cannot be sure of. One can fall behind there very rapidly. In 5 or 8 years, one can drop to second or third or fourth place. Or one can maintain one's leading position. Losing the lead as supplier of industrial equipment would be disastrous for our economy.

SPIEGEL: In general the employment of microelectronics raises the output of goods per capita and per hour. The question is whether this additional output can be absorbed through an export offensive. Is not such an increase over and above the previous share in international trade bound to be at the expense of other countries.

Von Buelow: I do not see it that way. First of all, it is necessary to maintain existing exports. If they then expand a little, I have no objection.

Who is to say that it was necessary for us to lose the entire motorcycle market? Who is to say that it was necessary for us to lose the photo market

and part of entertainment electronics? Who is to say that it was necessary for us to surrender a substantial part of the music instrument market to the Japanese? Surely none of that is inevitable. In its attack on world markets, the Japanese side considered and employed new technologies. They recognized in time and very accurately future market trends and then conquered shares of the market through joint efforts in technology.

No one would have stood in the way of German industry doing the same. But unfortunately that did not happen everywhere.

SPIEGEL: All this sounds very positive as far as technology is concerned. Does this mean that you hold the view that the enormous losses in jobs we have experienced, notably also in the administrative sector, are the price that has to be paid for technological progress?

Von Buelow: I think these developing trends are offset substantially by new contents at places of work, in offices. Particularly because one can process more information and because technology considerably speeds up the transmittal of information, probably different needs will arise, which in turn presuppose different qualifications. There will be a profound change in the whole structure of professional training. Jobs are changing.

SPIEGEL: According to estimates by the Commerce, Banking and Insurance Union, by 1990 between 5 and 10 percent of the 350,000 bank and savings institution employees will lose their jobs, and many more will see their professional qualifications become reduced in value. Surely this cannot make one sanguine about the future?

Von Buelow: It cannot. But, on the other hand, the wailing over the technological development, which one cannot escape anyway, does not bring us a step further either. Surely there is no point in singing the blues in this country while letting the Japanese and the Americans develop the equipment which then crowds our markets and leads to the destruction of additional jobs.

SPIEGEL: So what possibilities do you think there are--in the office sector, for example--of making up for the threatening losses of jobs?

Von Buelow: Take for instance the job setup of an average secretary. Surely no one says that it has to stay the same indefinitely. It may be very convenient for the men, but it is definitely imaginable that the women will accomplish an enrichment of their activity as a result of the inclusion of data processing, for they are frequently disadvantaged anyway as far as their normal career expectations are concerned since they temporarily are excluded from pursuing a career when they bring up children.

SPIEGEL: But it is precisely the senior employees who are eliminated in the conversion to microelectronics.

Von Buelow: I don't think so. Of course, whoever has the job of looking up files is likely to be replaced. But in turn there have to be others, there

have to be persons processing texts, persons who can work on files in conjunction with electronic data processing.

Together with the trade unions and all other associations, one should identify the sectors where there is likely to be a dynamizing of processes.

SPIEGEL: What sectors might those be?

Von Buelow: Take automatic typewriters, for example. It would never have occurred to you in the past to mail so many letters...

SPIEGEL: You don't mean machines automatically supplying signatures, do you?

Von Buelow: I mean automatic typewriters. It would have never occurred to you in the past even to write so many letters, because you would not have been in a position to provide the necessary funds or to accomplish the matter physically for that matter. Now these machines provide a relevant income and relevant jobs to the Bundespost [Federal Mail]. I think one should pursue such things. The demand structure is changed because one can do things that just were impossible before.

SPIEGEL: One can also say that demands that actually do not exist are created artificially. What purpose do the many letters in fact serve?

Von Buelow: A good question. Perhaps there are better examples. I visited the BBC [Brown Boverie & Cie] recently. The question was one of saving energy, namely: How can power plants switch off at peak times those consuming a great deal of power in private household? Previously such an installation for an urban district might have cost DM 300,000; now this control element can be manufactured for DM 400. Let us not always sing those awful blues about reduction of jobs, particularly since I think the situation is inevitable. Let us find out just where the demand is greater. Not only is rationalization a possibility, but so are new products as a result of combining entirely new capacities.

SPIEGEL: But is it really possible, with a view to the advantages of microelectronics, to push aside in such a way the consequences for the entire employment structure of the Federal Republic?

Von Buelow: I do not want to push aside anything at all. Only, let me ask you: What is your alternative strategy? Either one makes sure that one completely understands the situation in which we find ourselves--a situation marked by inevitability--and then tries reasonably to adjust to it, including any measures needed in the long run, or one shuts one's eyes, engages in a strategy of obstruction, goes in for feather-bedding* or whatever and then also bears the consequences of such a policy.

* An expression customarily used in Great Britain for continuing to employ workers who are not needed any longer--for example, stokers in electrical locomotives.

SPIEGEL: At the conference of the Club of Rome in Salzburg on the subject of microelectronics, the view was advocated that--and we quote--it was "probably the greatest revolution in the history of mankind." Do you share this view?

Von Buelow: I think that among the technological milestones on the road of industrialized society it certainly will be one of the crucial and giant ones. I think it can be compared to the introduction of electricity, which for the first time caused a decentralization of energy.

SPIEGEL: The chairman of the Club of Rome, Aurelio Peccei, assesses the significance as even greater than that of the introduction of the steam engine, which brought with it the Industrial Revolution.

Von Buelow: I don't think that is so. Without having pondered the matter at any great length, I am very skeptical toward the view that microelectronics is even more important than the invention of electricity. But such comparisons do not get us anywhere.

SPIEGEL: At the conference in Salzburg, social philosopher Adam Schiff expressed the opinion that unless it coped with the consequences of microelectronics mankind was threatened by "the hell of a pathological society" in which people are ill because they do not have enough to do. How does that fit in with the view of, say, Minister Lambsdorff, who is polemicizing against the shortening of the workweek and is cultivating the model of a person fully engaged in his job and deriving from that a feeling of amounting to something?

Von Buelow: We went over all occupations that may be affected or changed by microelectronics with some experts. The result, which surprised all participants, was that at least half of all jobs are not affected by these changes at all.

SPIEGEL: That means that the other half of the jobs is affected. How many jobs are those?

Von Buelow: Between 12 and 13 million.

SPIEGEL: If only one-fifth or one-sixth of these 12 million are eliminated through rationalization...

Von Buelow: ...it will be less than the gain through rationalization in the past 5 years. Besides, you cannot eliminate the kindergarten teacher through rationalization. Nor can you electronize her or a regular teacher; you can make aids available to him, but you cannot eliminate him through electronization. The same is true of nurses. I believe there is an enormous number of fields in which you cannot replace people by microelectronics.

There arises of course an additional problem. If you shorten the workweek in production and in some parts of the services sector where rationalization as a result of microelectronics is possible, you have to transfer that, because of the equality principle, to occupations where rationalization is not

possible, such as nurses, teachers and so on. This creates new costs which can only be met via new taxes or pertinent charges.

SPIEGEL: According to one estimate, there will be as many as 10,000 industrial robots in the Federal Republic by 1990. In Japan, after all, you already have those ghost plants--for example, at Nissan, where 67 workers per shift assemble 1,300 cars.

Von Buelow: Such industrial halls almost devoid of people already exist in this country as well. Take, for example, the Tornado production or the new VW finishing lines. That has been negotiated with the unions; it means stagnation of personnel figures and slow reduction via fluctuation. There arises now the problem of persons ready to enter the job field in coming years, who need jobs and cannot find any.

SPIEGEL: A just distribution of work will be one of the key problems in the age of microelectronics. Does the research minister have any ideas about how to solve these pending job conflicts?

Von Buelow: What one can of course imagine is that workers (and probably any persons who have been on the job for tens of years feels this need) can drop out for a time, then do something quite different for 3 months, half a year or an entire year, and then either return or become qualified for a better job.

Certainly the possibility of increased part-time work or earlier retirement will play a role. All that is imaginable. Only one has to realize and accept the fact that then the same claims will be made for the sector of jobs--for instance, in the field of health--where rationalization is not possible.

SPIEGEL: In those fields in which rationalization is possible, there exists in addition to the loss of jobs the problem that many jobs are reduced in quality. To stick with the example we cited in the beginning, skilled typesetters now just sit at the puncher, inserting letters in typescripts more or less impassively.

Von Buelow: Dequalifications cannot be ruled out completely on the finishing side. On the other hand, one will need programmers for preparing for the use of such machines, and that in turn means new qualifications. Microelectronics opens up the possibility of so-called workshop programming. In other words, next to any machine tool there sits, as it were, a minicomputer which controls the respective program even in the case of small quantities.

And so it turns out that you invariably continue to draw a far greater benefit from employing an experienced skilled worker as a programmer at the machine tool, who can do the job better than the computer expert sitting far away at a central programming place. But this operator must be enabled to also write programs. That means that he really needs a broader education.

SPIEGEL: Microelectronics is expanding at such speed in the industrialized countries that such social consequences have not been sized up. Do you think

it is still possible at all to exercise a political influence on this trend, by assessing the economic and social consequences more accurately in order to reach the appropriate conclusions?

Von Buelow: I am very skeptical regarding the ability of reliably predicting at the present time in a centralized manner, through some kind of institute, what will actually happen in the next 10 or 15 years. At best one can recognize certain trends.

I am also convinced that society has to cope with it in a decentralized manner. The works council concerned, with the advice of the union concerned, has to see to it. In plant agreements or in collective wage agreements, an attempt must be made to cope with the problems concerned. Things are developing so fast that one cannot do that in a centralized manner at all. I think the legislator can only create general situations.

In other words, at many places intensive thought has to be devoted to whether something is threatening to lapse into the inhuman, into the indefensible. Then the relevant measures will have to be fought for and taken.

SPIEGEL: Your predecessor called into being for that purpose a "technological-political committee" where trade unionists, academics and entrepreneurs are to get together. Why, in fact, did you allow it to become dormant?

Von Buelow: We have not summoned it anew as yet because it has taken me quite a while to decide in what direction I want to develop this technological-political dialogue. The idea I have and what we intend to try to implement is a procedure geared to a greater extent to individual branches of industry.

There is no point in talking in general terms about microelectronics. Rather, one must talk in terms of microelectronics in machinebuilding, or microelectronics in the office, or microelectronics in the textile industry. Then one has to talk with the persons responsible there, with the unions and employers and enterprises, with those who are promoting technology in that sector. I think that is the only way to really get anywhere.

SPIEGEL: Mr Minister, the advocates of speedy employment of microelectronics are painting a picture of an elysian society where people produce abundance with little effort, virtually without any physical labor. Can you see such elysian fields on the horizon?

Von Buelow: No, I don't see any elysian fields. I think that sum total of the smart and dumb things that people do will always remain the same. It is only a question of where they have an effect.

SPIEGEL: Thank you for the interview, Mr von Buelow.

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CSO: 3103/420

SPD CONGRESS CALLS FOR JOBS PROGRAM, TAX RAISES

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 22 Apr 82 pp 1,2

/Report by Kg, datelined Munich, 21 April: "SPD Urges Employment Program; Financing by Levies and Tax Increases"/

/Text/ The SPD emphatically advocates a medium-term government investment and full employment program to be financed by a temporary supplementary levy, a general labor market levy and further tax increases. The party congress approved a motion to this effect; the motion had been drawn up largely by the party left and the employee wing but was also supported by influential SPD politicians such as Boerner, Koschnick, Rau and Dohnanyi. By its resolutions on employment the SPD intends to gain kudos as the "party of labor and employees." SPD secretary Glotz contradicted the objection that this would steer the SPD toward conflict with the coalition partner FDP. Actually the Social Democrats intended to clearly state their basic political attitude but, at the same time, remained ready to negotiate. The FDP was obviously aware that, in partnership with the Union, it could pursue only a neoconservative economic policy on the Thatcher and Reagan model.

In the issue of employment the party congress did not adhere to the motion submitted by the executive. That had not included the demand for an employment program and only vaguely suggested the possibility of tax increases. The vast majority of the party congress were not satisfied with this version; in particular Bundestag fraction economic expert Roth as well as Hesse Premier Boerner championed a more precise definition of the Social Democrats employment goals. Recourse was also had to a motion submitted by the party left (Frankfurt district). Hardly anyone of the senior SPD leadership really gave full support to the executive motion. In the night from Tuesday to Wednesday the rules committee incorporated parts of the executive motion into that submitted by Roth and Rohde but deleted the proposals for raising taxes. On Wednesday, at the party congress plenum, Roth and other delegates objected to these deletions, protesting that the SPD could not simply offer a catalogue of measures relating to employment without stating how these measures were to be paid for. The rules committee had been willing to settle for a feasibility study concerning the introduction of a supplementary levy and labor market levy within the framework of a 13-point program for tax increases.

Agreed at the present time is the introduction of the supplementary levy and the labor market levy; the 13-point catalogue was accepted for review. Some of the items provided in the latter are restrictions on married couple splitting and on tax benefits for depreciation companies, higher taxes on real estate profits, the

elimination of the entertainment allowance, the introduction of liability to trade tax of the free professions as well as an increase in property tax and in the top income and corporation tax rates.

Going along with Federal Chancellor Schmidt the party advocated lower taxes for profits retained for investment than for distributed profits. Various delegates moved the postponement of large-scale tax relief legislation such as planned by the Federal Government for 1984. Already on Tuesday North Rhine-Westphalia finance minister Posser had warned against tax relief legislation. His attitude found widespread support by party congress delegates. However, in consideration of the FDP the party congress refrained from expressing its opposition to tax relief in the form of a confirmed motion. At the same time it requested the Bundestag fraction to once more carefully consider the question whether tax relief could possibly be justified while the SPD was asking for tax increases.

The Bundesbank's monetary policy was the topic of a heated discussion. The rules committee and the party executive had used a cautious phraseology suggesting that the Bundesbank should take advantage of short-term revaluation to definitely lower interest rates. The Bundesbank was to be requested more than hitherto to orient its policy to the requirements of employment. Deputy SPD fraction chairman Roth, however, submitted a far stronger motion, claiming that monetary policies in almost all Western industrial countries had long maintained a dangerously restrictive line and thereby contributed to the sharp rise in unemployment. The extremely high level of interest rates was the greatest obstacle to investment. The Bundesbank was invited to give up the "policy of tiny steps" because that merely caused confusion. Should the imminent economic summit in Versailles fail to bring about a departure from high interest rates, an independent European interest policy should be attempted within the scope of the European monetary system. Plans to that effect would have to be developed. Roth clearly prevailed with his motion.

The SPD did not commit itself to a specific volume of money for the employment program but referred to the respective claims made by the German Labor Union Federation. That body's employment program envisages additional investments in the amount of about DM50 billion. The SPD seems to accept that figure. The employment proposals submitted by Federal Finance Minister Matthoefer last January were welcomed. These aimed at continuing energy conservation and investment promotion, and they were to be financed by another rise in the oil tax. The SPD listed the following key issues of an investment program: The rational use and conservation of energy, the replacement of obsolete coal-fired power plants, a 10-year program "clean waters," an environment improvement and preventative program for specially endangered regions, environmental control, improvement of the housing supply--especially the construction of rental accommodation, the expansion of local public transportation facilities, the establishment of social and welfare services, the expansion of the electronic communication network by the postal service (to be made available to commercial firms and administrative bodies).

Cuts in Working Life

The SPD also emphatically advocated cuts in working hours and, in particular, working life. At the plenum of the party congress minister Ehrenberg and others championed the so-called standard pension. This is to enable employees to retire from working life at age 58. The standard pension is to be financed mainly by the

employers but in part also by the Federal Institution for Labor in those cases where the retiring employee is replaced by an unemployed person. Ehrenberg listed two conditions: The standard pension should have to be a possibility offered; early retirement must not be made obligatory. At the same time care must be taken to ensure that social contributions continued to be paid up to age 63 because failure to do so would adversely affect the eventual retirement pensions of these employees.

According to the party congress resolution a federal development plan is to be drawn up. This is to establish orientation data for private investments and guidelines for public investments. Employees and labor unions are to be effectively involved in planning the structural development. Investment aid is to be linked to assignments designed to maintain and create permanent jobs. Employee representative bodies are to help in the applications for subsidies and subsidized projects submitted to ongoing and subsequent checks.

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WEST BERLIN'S ECONOMY IN TROUBLE DESPITE SUBSIDIES

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 17 Apr 82 p 5

[Article by Berlin correspondent Juergen Mueller: "Berlin in Trouble: Economy Shrinking Despite Powerful Injections — Parties Quarreling over Plan for More Effective Support/Federal Government Contribution Reaches 130 Billion Marks/Disadvantageous Location Costs Nearly 100,000 Jobs"]

[Text] Bad Kreuznach wine entrepreneur Elmar Pieroth, who has been senator for economics for a year in the hard-pressed metropolis of Berlin, has just returned from a visit to the United States with grand visions. Although the CDU politician was unable to gain for West Berlin any new investor of the status of U.S. auto king Henry Ford II, Pieroth is now dreaming of setting up a "think tank." With the assistance and know-how of the Harvard Business School in particular, an academy for executives is to be established in Berlin and "fruitful cooperation" fostered, especially with U.S. firms. The CDU economics senator's longer-range hope is that this will finally halt the process of erosion of the Berlin economy and turn it around. Of course, the main thing that is supposed to bring about the change is a new plan of support for Berlin, although the details have so far been the subject of vigorous dispute between Christian Democrats and Social Democrats. The only detail not in dispute is the fact that a great many things have to be done differently than they have been up to now. After all, since 1950 the FRG taxpayers have contributed more than DM 130 billion to maintain West Berlin's viability. Their contribution to the Berlin Land budget this year alone amounts to more than DM 10 billion. In spite of all the subsidies, however, over the past 10 years Berlin has had to suffer growth losses compared to the Federal Republic. Since 1970, one out of every three jobs in industry has disappeared from the industrial metropolis that once had a rich tradition; one out of every two enterprises has had to close its doors over the past 20 years. Our Berlin correspondent provides the following account of the economic and political constraints suffered by the insular metropolis.

The historian Arnulf Baring ascribes to Social Democratic Chancellor Helmut Schmidt a devastating assessment of the ability of Berlin politicians: "None of these Berlin Social Democrats — whether it was Brandt, Bahr, Spangenberg or Schuetz —

had ever learned what went into an orderly administration..." -- in Schmidt's opinion, as chief administrators they all deserved grades ranging from poor to unsatisfactory -- "...At least as bad was the fact that none of the Berliners knew how to manage money. This was a lamentable consequence of the everlasting willingness -- albeit with a gnashing of teeth -- on the part of the federal government to stop up any holes in the city's budget with subsidies; thus, in a broader sense it was a consequence of Berlin's existence in a vacuum."

Much of what Schmidt and others may have thought before the change of administrations in 1969 is still true. For instance, federal aid to the Berlin Land budget for 1982 will climb from 9.7 billion to 10.2 billion, thus covering a record 54 percent of the budget. And the 18.8 billion mark Berlin budget is already an austerity budget put together by the new CDU senator for finance, Kunz, who in one fell swoop early in the fall of 1981 cut the budget by an impressive 3.5 billion up to 1985.

However: "The Federal Republic's willingness to help Berlin is diminishing," comments the new chairman of the Berlin DGB, Michael Pagels. As far as he is concerned, the reasons are to be sought not least of all in the past: "You see, no one understands anymore that routine subsidies -- for the semifinished cocoa products industry, for instance -- in Berlin are higher than plant labor costs." Prejudices and opinions are entering into the debate, apples are being compared to oranges, and new animosities toward Berlin are being revealed.

Peculiar to all "newcomers" is their initial astonishment at all sorts of things that are possible in Berlin. When Governing Mayor Hans-Jochen Vogel, in office for only a short time, was questioned essentially on the issue of squatters occupying buildings, he put it this way: "I thought there was a housing shortage in Berlin. But statistically speaking, in point of fact no other comparable city has as large a surplus of housing. There are 1.1 million housing units for 1 million households."

This is not surprising, for investing money in housing construction in Berlin is the surest way to save taxes and make a fortune in real estate in the process. "Neue Heimat" is not the only firm to set up shop here. No less than seven corresponding offers are to be found just in the latest issue of GELD-MAGAZIN [Money Magazine], a magazine specializing in advice on investments.

The following harsh comment was made years ago by the "Work Group on Support for Berlin," a group of committed academics from all of Berlin's universities: "The subsidy system that has been in effect up to now for social housing construction is not only already leading to a raid on public coffers for the benefit of those in high income brackets; it also carries within it a time bomb, and the longer this subsidy business continues unchecked, the sooner the bomb will go off."

Despite all efforts to the contrary, under the social housing program the taxpayer is presently contributing about DM 18.50 extra in rent per month per square meter of living area. This amounts to a subsidy of nearly DM 18,000 per year just for a single apartment with 80 square meters of living space. Or to put it another way: each person residing in such a dwelling is receiving almost DM 1,500 a month in contributions from the taxpayers. The improper-occupancy tax that was just passed for 1983 will do little to change the situation.

It will not alter a phenomenon typical of the Berlin housing scene. Although most apartment seekers are scarcely willing to spend more than DM 500 on rent each month, they are just as quick to shell out DM 10,000 or more in housing premiums. That a great deal of money remains in private coffers as a result of rent payments that are too low on the average -- compared with the FRG as a whole -- is underscored by one fact: Statistics show that West Berlin has the most "luxury-class" private automobiles per capita.

While for some time Bonn has been more tight-fisted than before during negotiations on aid for Berlin -- the contribution to Berlin's budget -- the talk now concerns the manufacturers' preference contained in the Berlin Assistance Law. In the 1970's reform of the routine subsidies had proven to be past due because Berlin was becoming the El Dorado of standardized, capital-intensive manufacturing. The basic preference consisting of a 4.5-percent turnover tax credit to offset the disadvantages of location made production operations seem profitable that would have been possible nowhere else in the Federal Republic.

This is because a clever manufacturer can nearly double the 4.5-percent basic preference by delivering to his own subsidiary in the FRG. The reason is that purchases made in Berlin accrue an additional 4.2-percent preference. Together this comes to a handsome 8.7 percent -- four times the average amount left below industry's bottom line.

The delivery preference is not in dispute, but the manufacturers' preference is now scheduled to be changed by gearing it to the value actually added in Berlin and reducing the basic preference. But it is this very point that is generally in dispute among the Berlin parties and the DGB. While Economics Senator Pieroth fears a fairly substantial loss of jobs if the basic preference is reduced to 2 percent, for instance -- and is therefore pleading for 3.5 percent -- the preference is unimportant to the DGB: "It would be simpler to grant no basic preference at all, but to refund actual additional costs incurred because of transport routes, etc." The Senat, on the other hand, is considering a flat rate for marketing costs.

Matthoeser Having Accounting Prepared

Pressured by the red ink, the federal finance minister is finally having an accounting made -- not in Berlin, but in Frankfurt by the "Working Group on Economics and Administration." He wants to know the cost of all this. Namely, the reform of the manufacturers' preference is not to affect costs, with the focus to be placed on acquiring skilled jobs rather than simply more jobs.

And it is a dire necessity, for Berlin's industrial structure can stand no more. In 1970 there were 265,000 jobs in industry, while in 1981 there were only 174,000 -- or more than a third fewer. And the loss of additional thousands of jobs lies ahead for this year. SEL [Standard Elektrik Lorenz] has just announced a 20-percent reduction in its work force in Berlin; AEG [General Electric Company]-Telefunken is continuing its systematic reductions; Bosch has been cutting back for years. Not even the arrival of the Ford plant for the production of parts made of synthetic materials -- with 700 jobs -- can gloss over the fact that the bottom line shows a negative balance.

The point to consider here is that the value added per employee is clearly higher in Berlin than in the FRG. For example, the productivity lead is expressed in a per capita turnover of DM 177,000 — an astounding result considering a predominantly middle-class-oriented industry with no immediate backup area. Moreover, Berlin delivers two-thirds of its products to the rest of the FRG; for some years there have been more deliveries made than purchases. Twenty percent of the goods go for direct export; in 1960 this figure was only 10 percent. At the same time, the GDR buys only 1 percent of all the products made in Berlin; before the war the surrounding countryside bought more than a third of the goods.

But in view of the increase in the population of employment age, Berlin needs more jobs. The DIW [German Institute for Economic Research] set 20,000 as the figure for the number of new jobs to be created by 1987. Only then, say the economists, can the decline in the population — the German population — be halted. And West Berlin is even the number one favorite with migrating 18- to 24-year-old FRG citizens. The reasons for this may be the city's urbane character and the absence of the draft, combined with its broad opportunities for an alternative life style.

What is lacking, however, is migration to the Spree [River] by German skilled workers and their families. "We have to do some thinking about that," says DGB Chairman Hagels. Trade union proposals for making Berlin more attractive as a place to live have been on the table since the end of 1976, in more sophisticated forms in recent years. But the new Senat, caught between Bonn's restraint and pressing problems in the city, is unable, or virtually unable, to pursue a policy of its own.

It has to be acknowledged here that everything is being done to reduce obstacles to investment. The Chamber of Industry and Commerce [IHK] estimates that the volume of investments in blocked projects in Berlin amounts to between 2.5 billion and 3 billion marks. However, there is no dispute over either the new Bewag [Berlin Electric Power Works Corporation] power plant (coal-burning), or participation in the new Berlin-to-Hamburg superhighway, or expansion of the district heating system. That which is lacking in Berlin had already been called for by the IHK in 1971 — even before conclusion of the Four Power Agreement that secured the city's status: "We need an urban development plan."

The earlier Social Democratic or social-liberal Senats were incapable of coming up with a real design for urban development. Can it be done by Senator Volker Hassemer in his newly created department for urban development and environmental protection? Hassemer is a committed, hard-working man, but one who frequently is not taken very seriously. There is hope that the parties' capacity for a dialogue with one another has clearly increased. Despite all the different verbal comments by Richard von Weizsaecker and Hans-Jochen Vogel from time to time, only slight differences separate them. There is this, however: From Berlin's point of view, what they need on the one hand is time; on the other they need Bonn's confidence that they can indeed do a better job than before of managing money.

7453

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FIRMS, PROBLEMS OF AEROSPACE INDUSTRY SURVEYED

Brussels LA CONQUETE DE L'AIR-AVIASTRO in French Nov 81 pp 34-41

[Article by Peter Pletschacher: "FRG Aerospace Industry Facing A Turbulent Age"]

[Text] During the decade which ended in 1980, the aerospace industry has been one of the most dynamic sectors in the economy of the FRG as a whole. Since 1968, the production increase in the aerospace sector has been, on the average, three times that of the other sectors of the West German industry, with a corresponding increase in employment.

However, in absolute terms, the economic data for this particular industrial sector, are not especially striking. This appears from a comparison of these data with representative figures for the other industrial sectors of the FRG and with figures from the same sectors in other countries.

Approximately 66,000 people, representing only 0.3 percent of the active population, are employed in the aerospace sector, which makes up only 0.4 percent of the gross national product. Compared with other "aeronautical" nations, therefore, the FRG occupies only a relatively modest position. For instance, twice as many people are employed in this sector in France, 4 times as many in Great-Britain, and 12 times as many in the United States.

However, in one respect the FRG is different from the other Western countries. The FRG aerospace industry plays a very important role as far as technology in general is concerned and its R&D expenditures per person employed are eight times the average for the German industry as a whole.

In addition, what we could call the "rate of innovation," in effect the percentage of total sales due to entirely new products, reaches approximately 50 percent. In this respect, it is obvious that this well above average rate of innovation is the result of the large financial support given by the federal government to the FRG aerospace industry. This is why, in spite of unfavorable economic conditions, all enterprise of the West German aerospace sector could obtain highly positive results in 1980.

MBB [Messerschmitt-Boelkow-Blohm], the largest enterprise in this sector in the FRG, employs 26,000 workers and its sales amounted to 3,651 million DM

(against 2,940 million in 1979) and VFW [Vereinigte Flugtechnische Werke], a partner of MBB since 1981 (VFW/ERNO [expansion unknown]), employs 11,800 workers and its sales for 1980 amounted to 851 million DM (against 650 million in 1979).

For its part, the Dornier Group, the ownership of which remains entirely in private hands, achieved sales of 1,011 million DM (against 865 million in 1979) while employing 8,500 people.

MTU [Motoren und Turbinen Union], the well-known Munich engine manufacturer, closed 1980 with sales amounting to 696 million DM (against 508 million in 1979).

Most manufacturers in the German aerospace industry expect that their results for 1981 will be as good as those for 1980. But for the first time in many years, these same manufacturers also expect a marked decrease of their activity in the years to come.

As a matter of fact, the federal government, and especially the Ministry of Defense, are struggling with financial difficulties which have already resulted in considerable cuts in development budgets. Therefore, it is expected that current production programs will be continued and completed but it is feared that no new projects will follow.

Messerschmitt-Boelkow-Blohm

Military and Civilian Aircraft

As the prime German contractor for the Tornado program and as a partner in Panavia Aircraft GmbH (MBB: 42.5 percent; British Aerospace: 42.5 percent; Aeritalia: 15 percent), MBB develops and produces the fuselage center section for all the Tornado aircraft ordered by the three client countries; it is also in charge of the production of several important systems and carries out the final assembly of the 324 Tornados destined to the West German armed forces.

To manufacture the center section of the Tornado fuselage, MBB has installed at its Augsburg plant an ultra-modern, fully automated and computer-managed production unit which is a representative example of the modernization of aeronautical production techniques.

At the MBB production center in Manching, the German Tornados are assembled according to the well-known traditional principles of the assembly line.

As part of its military activities, MBB is fitting out the Starfighter F-104G with fire control systems; it is also in charge of the installation of all the systems on the Phantom II F-4. As a result, the combat efficiency of these two weapon systems has been considerably improved. Over 3,600 Starfighters and approximately 750 Phantoms have gone through the MBB Manching shops to be revised and restored to operational flight conditions.

Since the projected study of a European tactical support aircraft--the aircraft of the 1990's--was abandoned, MBB has started work on a projected interception fighter, the LVJ (Luftverteidigungsjaeger) intended primarily for air/air missions. The application of new hydrodynamical concepts to this project should increase the supersonic performances and maneuverability of the LVJ beyond the limitations of the traditional flight envelope. In addition, the CCV (Controlled Configured Vehicle) technology is also being studied at MBB on a modified F-104G which is used as a prototype. No less than 120 CCV flights are scheduled on this experimental aircraft.

Other technologies are also under development, among which the mastery of composite materials which are expected to find an increasing number of applications at MBB. For instance, the use of composite materials--a resin reinforced with carbon fibers--on the future LVJ is anticipated. This will result in a considerable decrease of the empty weight and, therefore, a corresponding improvement of the weight/thrust ratio. For over ten years, since 1968 to be precise, MBB has been developing, manufacturing and testing primary structures entirely made of composite materials. In particular, these have been used in MBB helicopters; structures of this type have also been used in the company's aerospace division products. As early as 1982, a "taileron" made of composite materials will be tested in flight on an experimental Tornædo. To illustrate more fully the extremely diversified applications which the new technologies have found at MBB, we should add that MBB's engineers are developing modular construction concepts and increasingly orienting their efforts toward the use of digital technology, microprocessors and solid state circuitry (among other things to improve the reliability of the many sub-systems used).

In the field of the RPV's (Remotely Piloted Vehicles), MBB is pursuing basic research on sensor systems designed for target acquisition and armament release, as well as on the tactical potential of the RPV's which could then be used to attack especially well defended punctual ground targets.

It is known that MBB has a participation of approximately one third in the European Airbus program. Until mid-1984, the production of the A 300 and A 310 will be progressively increased to eight units per month, i.e. twice its present level. To meet this production increase, MBB has decided to modernize its Hamburg plant through a 500 million DM investment program.

Simultaneously, new technologies are scheduled to be introduced both in development and in production, in order to complete the rationalization of the activities of the MBB industrial center in Hamburg. In its Hamburg industrial facilities, MBB is manufacturing the most important component of the A 300, the fuselage rear section with the rudder, as well as the fuselage wing section. The complete sub-assemblies--equipped with electric and hydraulic systems, controls and climatization--which are subsequently shipped to Toulouse for the final assembly, are the result of partial assembly operations using components supplied by the Augsburg and Donauwoerth production centers. After their final assembly in Toulouse, the aircraft are flown back to Hamburg where they are fitted with the interior furnishings required by the client.

For the A 310 version of the Airbus, for which manufacturing facilities are presently being installed, Deutsche Airbus has entrusted MBB with the construc-

tion of the components MBB is already supplying for the A 300, the rudder being made of a composite material. In addition, should the Airbus Industrie consortium decide to proceed with the A 320 program--a 150 seat aircraft with a reduced-diameter fuselage--it is more than likely that Deutsche Airbus would put MBB in charge of the development and production of the components which MBB is already manufacturing for the A 300 and A 310.

MBB also has a 23 percent participation in the production of the Transall C 160 military transport aircraft which has been given new impetus with an order for 28 units. The forward section of the fuselage, including the fully equipped cockpit, and its rear section including the loading ramp are manufactured in Hamburg.

As a subcontractor for Fokker, MBB is also manufacturing, at its Stade plant, fuselage components as well as engine pods for the Fellowship F-28. This subcontracting represents approximately a 15 percent participation in the Dutch program.

Finally, to give a full overview of the activities of the MBB Hamburg industrial center, we should add that this center is also involved in product support for the Airbus program aircraft and in maintenance work on the Cessna Citation and British Aerospace HS 125 business planes.

MBB--Missiles and Weapon Systems

Some of the most important activities of the MBB Group are those related to guided missiles programs. Three different anti-tank systems are now under production. These are Milan, an extremely mobile system used by the infantry (also produced by the Dynamics Group of British Aerospace under a Euromissile license); Hot, a system installed on armor-plated vehicles, light vehicles and helicopters; and Armbrust ("Crossbow"), a self-defense weapon. The Milan and Hot systems are mass produced for the armed forces of several countries as part of the Euromissile GIE [Economic Interest Group] program, whereas the Armbrust is an exclusive MBB production.

Recent progress in the technology of armor-plating have made it necessary to carry out research which will lead to a third generation of anti-tank missiles. For this research, MBB, SNIAS [National Industrial Aerospace Co. (Aerospatiale)] and British Aerospace have decided to cooperate and, for this purpose, have created the Euromissile Dynamics Group. The first feasibility studies for medium and long-range systems were completed earlier this year.

In addition, in collaboration with the German Diehl company, MBB is developing a program for the production in Europe of the American Multiple Launch Rocket System (MLRS) which will probably be mass produced starting in 1987-88.

For the anti-aircraft defense, more particularly at low and very low altitudes, MBB has developed the Roland system in collaboration with the Tactical Missiles Division of Aerospatiale (under the Euromissile GIE agreements). Regular deliveries to the German and French armed forces started as early as 1978. Roland is a highly mobile system; in the German army, it is installed on the chassis of the Marder light armored vehicle.

Speaking of Roland, we should note here that, although this system had been selected by the United States and slightly altered by the U.S. licensees, Hughes Aircraft and Boeing Aerospace, its production under license in the United States has recently been questioned as a result of cuts in the U.S. defense budget.

In addition to the ground/ground and ground/air missiles which we have just reviewed, MBB is also working on guided missiles intended to be part of the armament of fighter aircraft. In collaboration with Aerospatiale, MBB has developed Kormoran, an air/sea weapon system which is mass produced by the German company. Kormoran will be installed on the Tornados ordered by the German navy, and will be their main weapon.

Under international cooperation agreements, MBB is also working on second generation sea/sea guided missile systems; under these agreements, MBB is in charge of the power plant, the military stores and the aerodynamic design of the missiles. The high-fuel-efficiency solid-propellant power plant was tested for the first time on two experimental missiles in Sardinia, in November 1981. It is designed for high-speed long-range missiles.

For the main armament of the Luftwaffe Tornado, MBB has developed a conventional multiple-use weapon of a new generation, the MW 1; it consists of a container installed under the aircraft, which can release large quantities of sub-munitions of various types in a single pass of the aircraft. When tests on the MW 1 are completed, mass production of this weapon will start in the coming years.

To close the chapter on missiles and weapon systems, we should also mention that MBB is developing stand-off air/ground guided missiles to be released beyond the range of the enemy's defense. However, no decision has yet been made as to the future of this missile which could also be used against armored vehicles and airports.

MBB--Rotary Wings (Rotor Head and Blades)

During the past ten years, MBB has achieved a successful breakthrough on the world market of rotary wings with the versatile Bo 105 helicopter.

For civilian applications, MBB is now manufacturing the Bo 105CB and the slimline Bo 105CBS versions. As far as military applications of this aircraft are concerned, the Bundeswehr has ordered 227 units of the liaison and observation version, the Bo 105M, and 212 units of the first generation anti-tank version, the Bo 105P (PAH-1). The Bo 105P is equipped with six Hot anti-tank missiles.

All versions taken together, over 1,000 units of the Bo 105 have been ordered to-date, 600 of which have already been delivered to over 30 countries.

Starting with the basic design of the Bo 105, and in collaboration with Kawasaki Heavy Industries, MBB has also developed the BK 117, a versatile 8 to 11 seat helicopter which uses the titanium rotor head and the composite material blades of the Bo 105, but on a much larger hull. The BK 117 is being

tested in flight since May 1979 and its certification in Germany and in Japan is expected to take place late in 1981. Deliveries are expected to start in 1982. To-date, over 100 units have already been ordered.

Since 1979, in collaboration with Aerospatiale, MBB has been working on the design of the PAH-2, a second generation anti-tank helicopter. Compared with the PAH-1, the PAH-2 would be equipped with the most recent systems, which would give it night combat capability.

Among future projects, there is also a third generation transport helicopter which will be developed in collaboration with Westland, Aerospatiale and Agusta. It is for this project that MBB has been working on a program called Bo 125. As far as the future activities of the helicopter division of MBB are concerned, it is to be feared--as we already mentioned above--that the financing and budget problems which the German Ministry of Defense is now experiencing will seriously handicap the launching of new programs, at least in the near future.

MBB--Space

Since its entry in the space sector to date, MBB has completed 10 space programs, either as prime contractor or systems manager, or as contractor in charge of the German portion of an international program. Among the satellite programs to which MBB has contributed, we should mention the solar probes Helios 1 and 2, the telecommunications satellites Symphonie 1 and 2, and the meteorological satellite Meteosat 1. In addition, Meteosat 2 has been launched by the European Ariane rocket.

The Exosat X-ray detection satellite, developed by the Cosmos consortium to which MBB belongs, should be launched by Ariane, probably around mid-1982.

MBB's participation in the Intelsat V program represents a real success for this company since it has given it a strong foothold on the market of commercial telecommunications satellites. (Symphonie was only an experimental satellite.) In fact, thanks to the Intelsat V program, MBB has become the largest subcontractor of Ford Aerospace who is the prime contractor for Intelsat V. No less than 12 satellites will be launched during this decade under the Intelsat V program. They will be used for space communications in the world as a whole. Options have been taken for six additional units. The first satellite of the Intelsat V series was launched in the United States in December 1980. Future launchings will be made either by the European Ariane launcher or by the space shuttle. In addition, still in the field of space telecommunications, but on a European scale, MBB will take part in the development of V-SAT under a Franco-German cooperation agreement. This is a family of satellites designed for the retransmission of television programs from a geostationary orbit. The first two satellites of this type, for which firm orders have already been received, should be launched late in 1984.

In addition, MBB has developed an entirely new family of satellites, called SPAS (Shuttle Pallet Satellite) which are scheduled to be placed into orbit by the space shuttle. This program, which is the result of an initiative of MBB, will make of this company the first commercial user of the shuttle in Europe.

Among MBB's other space activities, we should mention its participation in the European Spacelab program. In fact, the space division of the Ottobrunn-based company is the prime contractor for the materials laboratory of the first Spacelab mission during which approximately 35 experiments on materials are scheduled to take place.

We should also mention MBB's participation in the Ariane program. In fact, MBB will supply the combustion chamber for the third-stage HM7 engine of the European launcher. In this respect, we should stress the fact that MBB's space division is using a manufacturing technique which it has developed and which has been successfully used for the main engine of the U.S. space shuttle, under an MBB license.

To complete this review of MBB's space activities, we must add that this company is also engaged in the production of a complete line of small engines intended for course correction. Also, in the near future, MBB will realize the propulsion system, the structure, the tanks and the fuel-transfer systems for the U.S. Jupiter Orbiter Galileo.

VFW--Vereinigte Flugtechnische Werke

Despite its merger with MBB, which became effective on 1 January 1981, VFW will at first continue to operate independently.

The integration of the two companies will be progressive, although VFW's production capacity has already been included in MBB's overall reorganization plan.

Thus, for instance, MBB's space division and VFW's space subsidiary, ERNO [expansion unknown], have been merged into a single larger enterprise. The military transport aircraft and the airliner operations have also been restructured; MBB's Hamburg aircraft production units and VFW's corresponding production facilities have been placed under a joint management.

In addition, a new sector has been created to handle maritime and special technologies; it has taken over VFW's defense activities with the exception of its fighter plane program.

The VFW Bremen plants contribute to the production of the Airbus A 300 and A 310; more especially, they manufacture some fuselage components located between the cockpit and the center fuselage, including the freight loading system. Also in Bremen, the various systems as well as all mobile parts supplied by Fokker are installed on the wings (supplied by British Aerospace), after which the wings are shipped to Toulouse for final assembly.

At the Lemwerder plant, the A 300 C4 (freight convertible) version of the Airbus is equipped with the cargo door developed by VFW. The landing flaps for the A 310 as well as its spoilers made of composite materials are also developed and manufactured in Lemwerder.

As a subcontractor for Fokker, VFW is manufacturing the fuselage rear section, the empennage and other fuselage sections for the Fellowship F-28. In addition, VFW is taking part in the production of the second series Transall C 160. Among others, it manufactures the fuselage center section, the empennage and certain components of the landing gear.

In addition, as part of the international Tornado program, VFW is manufacturing certain components of the fuselage center section, including the part provided with air intakes.

Already before their merger, MBB and VFW had started joint research on fighter aircraft in order to develop new concepts. This research is being continued.

VFW is active in most aeronautical, space and defense sectors, even though its participation is sometimes relatively small.

In the missile sector, for instance, VFW supplies a number of components for the launcher of the new RAM [expansion unknown]/ASMD (Anti-Ship Missile Defense). It also manufactures certain sub-systems for the Kormoran air/sea missile.

The Tucan RPV [remotely piloted vehicle] was originally designed by VFW who is now manufacturing it. It is a recognition RPV for the real-time transmission of video data to a ground receiving station. In association with General Dynamics, and as part of the Locust program, another small anti-radar drone is also under study. In the military maintenance sector, VFW is in charge of the major inspections of the F-104G Starfighters, the C 160 Transall, the Sikorsky CH53G transport helicopters and the Marine SeaKing Mk41 helicopters. In the civilian sector, VFW has to date transformed, altered and serviced over 50 Airbus according to the clients' specifications; it is also servicing Lockheed's four-engine business JetStar.

The space sector is almost exclusively reserved to the ERNO subsidiary. The latter takes part in the development of the European Ariane launcher and has a direct subcontracting agreement with the [French] CNES [National Space Studies Center] for the manufacturing and integration of the second stage of the rocket. ERNO is also one of the shareholders of Arianespace, a company incorporated under French law to ensure the production, marketing and sales of the European rockets of the Ariane family.

As far as satellites are concerned, ERNO now has an enviable workload: among other things, it is manufacturing 11 units which are to meet European requirements. Five of these are satellites manufactured for ECS (European Communications Satellite), the first of which is scheduled to be launched by Ariane during the summer of 1982. Then, three are MARECS (Maritime Communications Satellites) to meet the requirements of civilian maritime navigation; the last three are Telecom 1 communications satellites, to the construction of which ERNO is contributing as a full-fledged member of the MESH consortium [MATRA, ERNO, SAAB, Hawker-Siddeley-Dynamics].

ERNO is also manufacturing a number of sub-systems for the TV-SAT program—the Franco-German direct television satellite.

Obviously, ERNO is eager to retain the choice position it has now acquired in the space sector, and it is pursuing intensive work on new satellite systems derived from the ECS concept to achieve worldwide communication between civilian institutions and companies. Before closing this brief review of this company's operations, we should mention that, thanks to Spacelab, ERNO has become the European leader among companies engaged in manned space flight programs. The first Spacelab flight unit has already been delivered to NASA; the second will be completed in 1982-83. During its second mission, the Columbia shuttle was carrying an unmanned Spacelab pallet equipped with measuring instruments and testing equipment. ERNO is now preparing several experiments for future effective missions of Spacelab; among these, Texus System is intended to explore the possibilities of processing materials in a state of weightlessness.

The other VFW subsidiary, RFB [Rhein Flugzeugbau GmbH] is mostly involved in the maintenance of military aircraft; it also manufactures certain components for the Fokker F 27 and F 28 and for the Deutsche Airbus A 300. At its Moenchengladbach plant, it also manufactures under license the Stencel SIIIS ejection seats for the Luftwaffe Alpha Jets.

However, RFB is better known for its work on the "ducted propeller" propulsion technology which has been successfully tested on the Fantrainer 400 and 600 training aircraft. Although, for a time, it collaborated with the U.S. Vought company on a plane equipped with such a propulsion system and intended to replace the U.S. Air Force T-37, RFB has not yet started mass production of the ducted propeller.

The Dornier Group

The Dornier Group enterprises are somewhat of an exception in Europe in that their ownership has remained in the hands of the founder's family; their highly diversified activities make use of the whole range of aeronautical and space technologies.

At present, Dornier is still manufacturing the Alpha Jet, the result of its collaboration with Dassault-Breguet. The Alpha Jet is used exclusively as a training aircraft by the French and Belgian air forces, whereas the Luftwaffe uses it primarily as a tactical support aircraft. Dornier manufactures the wings, the fuselage rear section and the control surfaces for both the French and German Alpha Jets, as well as for those produced for exportation. The final assembly of the aircraft intended for the Luftwaffe takes place at the Oberpfaffennoten plant and so do the acceptance test flights. Already, 150 of the 175 units ordered by the FRG have been delivered. Nevertheless, export orders will ensure continuing production for a few more years.

With Lockheed as their U.S. partner, Dassault and Dornier have offered an aircraft derived from the Alpha Jet to meet the U.S. Navy requirements for a new training system, as part of the VTX-TS program.

The Alpha Jet is an aircraft which appears well suited to interesting developments. Late in 1980, for instance, Dornier carried out flight tests on a new transsonic wing, the result of its research on a modified Alpha Jet which proved to have a markedly improved maneuverability. In addition, testing has started on an experimental CCV system. This system should considerably improve the precision and efficiency of the Alpha Jet control and should prove especially useful for tactical support missions when armament is released. New wings made of a composite material have also been tested, although with some delay. Composite material airbrakes for the Alpha Jet are already mass-produced, and elevators and rudders made of this same material are scheduled to be tested soon. If these tests are conclusive, and they will probably be, mass-production could start in the near future.

Recently, Dornier and MBB have carried out preliminary studies on a new TKF 90 aircraft. After a trinational study had yielded inconclusive results, the German Ministry of Defense asked Dornier to suggest other, less costly, solutions.

One of the largest military programs undertaken by Dornier is the integration and operational study of the remote alert E3A AWACS [Airborne Warning and Control Systems] ordered by NATO. Boeing Aerospace has entrusted Dornier with the equipment and testing of 18 aircraft of that type. The first non-equipped aircraft landed last spring at the Oberpfaffenhofen airport and the integration work is now completed. Dornier will be in charge of maintaining these NATO AWACS in the future.

In the civilian sector, Dornier engineers are concentrating on starting mass-production of the new 15-19 seat utility commuters, the Do 228-100 and Do 228-200. The first flight of the prototype of this new family, equipped with a new type of wings, took place in the spring of 1981, and firm orders or options have already been received for 80 units. The first mass-produced unit will be delivered to a Norwegian client late in 1981.

Nevertheless, Dornier is still manufacturing the Skyservant Do 128-2 (with piston engines), and the Do 128-6 version (with turbopropellers) for which 25 orders have been received. The TNT [expansion unknown] experimental aircraft on which the new profile for the Do-128 series has been tested is also used for other experiments. For instance, a new propeller testing program was started in the fall of 1981. And a new turbulence reduction system is scheduled to be tested in 1982. This system is designed to improve passenger comfort and it might become routinely used in air transportation.

At the request of the FRG Ministry of Research and Development, Dornier is manufacturing an experimental amphibious aircraft, the Do 24TT derived from the Do 24 three-engine hydroplane of the late 1930's. The technologies used in the wing design, as well as the fact that the latest PT6 family engines of P&W Canada will be used, should give to this new aircraft good performances on the open sea. The first flight of the Do 24TT prototype is expected to take place late in 1982 and the results of the scheduled test flight series as well as the prototype itself, should provide a working basis for the development of new hydroplane concepts.

In the defense sector, Dornier is very active in the field of unmanned crafts. The Franco-German ARGUS system, intended for the surveillance of the battlefield, is based on the Kiebitz rotor platform developed by Dornier and is equipped with the French-made ORPHEE surveillance radar. On-site testing is now completed and the perfecting of an operational system should be completed in the near future.

In collaboration with Canadair, Dornier is also developing a long-range recognition drone, the AN/USD 502 (in Canada: CL 289), which successfully completed its first flight in the spring of 1980. Operational tests will soon be carried out by the German Army. In addition, following an order from Lockheed Missiles & Space Co, Dornier has developed a recovery system used for recognition, target designation and fire control. Production of the system supplied by Dornier started in 1981.

Dornier has also undertaken conceptual studies on SOM's (Stand Off Missiles) and manufactures the DATS I and II aerial target systems for the German armed forces.

The amount of military aircraft maintenance work—which is usually carried out by the Dornier Reparaturwerft subsidiary—has considerably decreased during the past few years. Maintenance activities for the FRG armed forces are now limited to the maintenance and servicing of part of the UH-1D Iroquois, Breguet Atlantic and Skyservant fleets.

However, maintenance work on the Alpha Jets should increase the workload of the company since many aircraft of this type are now in regular service in the Luftwaffe. In addition, to achieve a more regular workload, Dornier Reparaturwerft has recently become actively involved in the creation of a service center to meet the needs of all German civilian operators. At the Oberpfaffenhofen airport, it now services the whole range of propeller planes manufactured in the U.S. by Cessna and Piper as well as the business twin-jets Cessna Citation I and II. At its Frankfurt airport branch, Dornier provides maintenance for the Cessna Citation and all the Dassault Falcon planes, as well as for the Fokker F 27 and Hercules C-130. Since the fall of 1981, and as a subcontractor for Canadair, Dornier offers complete maintenance and servicing for the Challenger twin-jets.

Our review of the Dornier Group would not be complete if we did not mention Dornier System GmbH which, in addition to its activities in the field of electronics and to its research on new technologies, has mastered many space technologies.

For instance, as a subcontractor of ERNO, this Dornier subsidiary has developed and manufactures the survival system for Spacelab. In 1980, it started producing the first series of tanks for the second stage of Ariane.

In addition, the DFVLR (German Institute for Aeronautical and Space Research and Testing) has entrusted Dornier System with the definition work on a national X-ray detection satellite. And the development of a probe for the ISPM (International Solar Polar Mission) project and of a Giotto comet probe for the European Space Agency is taking place on a background of political uncertainty.

Among Dornier System's other activities, we should mention that it also supplies satellite sub-assemblies. For instance, it has been entrusted with the realization of the FOC (Faint Object Camera) which will be included in the third large U.S. space project, Space Telescope, scheduled to be placed into orbit by the space shuttle in 1984. During the past few years, in anticipation of the future utilization of Spacelab, Dornier System has concentrated its efforts on the IPS (Instrument Pointing System) and MRSE (Microwave Remote Sensing Experiment) programs.

Finally, in collaboration with DFVLR and MBB, Dornier is working on the development of the GIRL [expansion unknown] infrared observation system. Dornier is also getting ready to devote its efforts to the development of the European earth resources detection satellite, the ERS.

Motoren und Turbinen Union

This enterprise is the German leader in the field of aircraft engines development and production; several civilian and military programs are under realization at its Munich plant. As a partner (43 percent) in Turbo-Union, a company incorporated under British law, MTU mass-produces the RB 199 engine used to power the Tornado. It also has a 23 percent participation in the production of the Alpha Jet Larzac 04 engine, and a 40 percent participation in the production, under license, of the Allison 250-C20 engine used on the Bo 105 helicopter.

In order to strengthen its position on the military market, MTU takes part in the studies on engines designed to propel future fighter planes.

Of course, like most aerospace enterprises, MUT is also strongly interested in the potential offered by the civilian market. In the field of "civilian" engine production--which, for MTU, has entailed investing to modernize its production facilities--the Munich-based company has increased its production of engine components under the agreements it has with two large U.S. manufacturers, Pratt & Whitney and General Electric. As far as mass-production is concerned, MTU manufactures JT8D components for P&W and CF6-50 components for GE.

MTU is also involved in future programs and, together with GE, it is working on the development of the CF6-80 version, whereas its collaboration with P&W consists mainly in the part it takes in developing the P&W 2037 designed to equip the Boeing 757 and other airliners. With an 11 percent participation in the P&W 2037, MTU is in charge of the development and subsequent production of the low-pressure turbine.

In addition, in collaboration with FIAT, MTU is developing a new turbine engine, the MTM 384, designed to power the future second-generation anti-tank helicopter.

In view of its policy of strengthening its civilian activities, MTU has also created a subsidiary, the MTU Maintenance GmbH, which started its operation in October 1981, in brand new quarters at the Hannover airport. This is where it now maintains and services the large engines of the CF6 or RB211 types which

cannot be maintained by the airlines since these do not have adequate facilities. The endurance tests on the CF6-80 and its final development will take place on the Hannover test bench of MTU Maintenance. After the P&W 2037 has been placed in service, it will also be serviced at the MTU Maintenance plant.

Equipment Manufacturers

The progressive reconstruction of the German aerospace industry after World War II brought about a similar development of the equipment industry which soon reached an international level.

Today, there are no less than 37 companies engaged in this sector, among which Siemens, AEG Telefunken, Bosch, SEL [expansion unknown], and a whole series of small and medium-size enterprises.

As in the past, this sector receives its primary impetus from the FRG Ministry of Defense and, certainly, many German components manufactured by this sector are used in the military Alpha Jet and Tornado aircraft programs.

However, the Airbus program also accounts for a large proportion of the components supplied by the equipment sector.

Today, this sector as a whole employs approximately 12,000 people and its sales figure is 1,200 million DM.

Conclusion

The backlog orders of the German aerospace industry are now considered to be satisfactory, or at least "still" satisfactory, for knowledgeable observers feel certain that the German aerospace enterprises will soon face serious employment problems.

To a much larger extent than in the past, these companies will have to invest their own capital in research and development since government orders are likely to be strongly reduced.

Therefore, in order to maintain its present high technological level, the German aerospace industry will have to invest its own capital to a much larger extent. The civilian sector certainly represents a solution which could prevent the enterprises from having to lay off many workers. Nevertheless, the civilian sector is not doing so well either, and an overall decrease in the sales figures of the aerospace sector as a whole is to be expected.

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CENTRAL BANKER ON CHANCES FOR ECONOMIC RECOVERY

The Hague ANP NEWS BULLETIN in English 27 Apr 82 pp 1-2

[Text] Amsterdam, April 27--Netherlands (central) Bank Governor Wim Duisenberg today called for effective international cooperation to prevent a recurrence of the slump that hit the world in the 1930's.

In a preface to the bank's annual report for 1981, he said, 'Only a resumption of the pursuit of international consistency in policy goals can guarantee that there will be no break in the thin wall separating us from the 1930's.'

He urged politicians to learn the lessons of the past and not to repeat the mistakes that made the Great Depression possible.

Turning to the national economy, Dr Duisenberg said he was convinced the economy had passed the trough and was on the upgrade again, even though recovery was slow.

He warned that the recovery process would take long because of the battering corporate profitability had suffered. For this reason private and public sector restraint would be inevitable for many years to come to cancel out corporate erosion and create the conditions for a lasting recovery of growth and employment.

Dr Duisenberg said only investment was the real source of recovery. He did not reject job-sharing, but warned that the creation of more part-time jobs could increase the labour market supply.

Investment drop

Notwithstanding gas exports, the Dutch economy was not doing better than that of most other countries. Corporate investment had dropped by about 20% in volume terms in the past few years.

The bank governor warned that a welfare system like that in the Netherlands could be maintained only if based on a strong economy, and that short-term measures to shore up social security, would undermine it in the long run.

Bright spots were the low rate of inflation in the Netherlands, improved competitiveness and export growth.

Because of its low rate of inflation and wage restraint, the Netherlands stood poised to profit from the anticipated upturn in the world business cycle, he said.

He warned, however, that even if wage increases remained within the government's target of 6 to 6.5% this year, the rise would be sharper than in 1981.

Dr Duisenberg said he was not really happy with the eight-billion-guilder surplus on the Dutch current account, which he attributed largely to the drop in investment.

As soon as interest rates fell sufficiently to encourage businesses to step up investments, the current account would deteriorate, he said.

The bank governor warned that the government's budget deficit threatened to run out of control.

He said the dire consequences would become clear when the economy picked up, when production capacity had to be available to satisfy increased demand and firms had to finance increased activity by borrowing in a capital market, creamed off by the government.

Commenting on warnings by some people that the Dutch economy might follow the example of the Belgian economy, Dr Duisenberg observed that the differences between the two countries were not as big as many people thought.

Belgium's financing deficit amounted to 16% of national income compared with a 10% deficit in the Netherlands. The deficit on the Belgian balance of payments was 6%, whereas Holland's balance showed a 3% surplus, he noted.

However, the contribution of natural gas to the Dutch budget amounted to nearly 6% of the national income and that to the payments balance to nearly 10%, he pointed out.

The bank governor agreed that natural gas was a mainstay of the Dutch economy, but warned that it was a temporary support. Recent developments on the energy markets were affecting the Dutch economy, he said, adding: 'In short, Belgium is nearer than people think.'

Financing Problem

Dr Duisenberg warned that failure to introduce economies now would make future economies all the more painful.

People who thought they were protecting the lowest income brackets today must realise that this group of people would increase shortly who would all demand the same rights.

Dr Duisenberg said the pressure of the huge financing deficits accompanied by gross interest payments would become stronger and stronger. Continuation of this development would boost interest payments on state debts from 3.5% of national income this year to nearly 5% in 1985 and 15% by the end of the 1980's.

He felt that monetary financing by the government was not always to be rejected. It was acceptable to some extent if the deficits were due to business-cyclical developments and were temporary. Since this was 'regrettably' not the case at present the huge deficit did not justify inflationary financing, he added.

It would undermine international confidence in the guilder, put an end to the relatively low Dutch interest rates and sharply raise the interest payments of the government and trade and industry, the bank governor said.

CSO: 3120/60

WALLOON SOCIALISTS HOLD CONGRESS, ISSUE PROGRAM

Course of Congress

Brussels LE SOIR in French 30 Mar 82 p 2

[Article by G. Dt.: "PS Congress Hardens Somewhat the Socialist Roads to Change"]

[Text] Last weekend, the Socialist Party held its first doctrinal congress since 1974 in Brussels, on the theme: "To face the crisis." For the hundreds of delegates who attended, it was a matter of defining a new medium term economic policy for the Socialist Party. Also, to formulate a realistic alternative to the "shock" program of the current government. It is known that the PS [Socialist Party (Walloon)], having rejected the simplistic ideas of a general recovery through consumption, has now chosen a middle road of selective recovery and of promotion of the domestic market.

The initial text (some 300 pages long), which was particularly pragmatic, was notably hardened during discussions in the federations and during the congress. The PS is now asking for an inheritance tax, a register of wealth, the nationalization of holding companies and of the energy sector, and a widening of regionalization. Evidently, Guy Spitaels had to take his left wing into account.

Moreover, this congress was taking place in the middle of social turmoil. The PS president could not sidestep the problem. Speaking on television Sunday noon, he remained "an observer" of the strikes, brilliantly presenting only a medium term alternative. He did not want to scare off the center left. But speaking at the congress afterwards, he gave assurances to his most restless activists by telling them what the PS would do if it were to return to power today. Clearly taking the opposite view of the "Martens-Gol" theses, Guy Spitaels then came down from his balcony as it were.

The Socialist Party congress was to define the economic doctrine of the PS for the years to come.

"The roads to change," as Guy Spitaels calls them, are a policy of absolute priority to energy conservation, the reduction of working hours, economic federalism, and the selective recovery of economic activity, that is to say a recovery which does not result in an increased deficit of our balance of trade. The "roads to change" also include a more self-centered growth for Wallonia, a choice for "quality" rather than quantity.

The participants at the congress added a more "leftist" tone to these general lines. For them, this new policy will be possible only if the energy sector is nationalized, and if the holding companies are given a public status (they rejected by overwhelming majority the idea of simply having greater control over these holding companies). For them, the "change" will succeed only if a tax levy on inheritances is decided on, with a register of wealth. Finally, if regionalization is stressed.

The participants at the congress demanded not only the regionalization of the five national sectors, but also those of energy, agriculture, applied scientific research, foreign trade and credit.

On the other hand, the congress remained very cautious on the question of whether the reduction of working hours should be carried out with a complete maintenance of wages. This principle is recognized, but the PS does not exclude the possibility that under certain circumstances or in case of too large a reduction of working hours, wages might be reduced. Voting on this delicate issue was dodged.

What It Would Do...

But this congress of the PS was taking place at a time when Wallonia is the theater of very important social struggles. Guy Spitaels could not avoid the problem. As a matter of fact, delegates from Liege and Thuin made sure to question him on this issue.

What immediate alternative does the PS have to offer to the workers who are in the street? The president of the Socialist Party first explained himself Sunday noon on the RTBF [Belgian Radio Broadcasting and Television System -- French Service]. For him, the strikers are fighting for jobs, but also because they "are convinced that the sacrifices asked for will not serve any purpose." But this is not why Mr Spitaels has promised a quick return to power for the socialists. The times are not ripe yet or, as Mr Spitaels put it: "The current team is not yet ready to pack its bags."

The whole address by Guy Spitaels was aimed at creating a progressive and realistic alternative in the medium term. He did, for example, reject as a "nuisance" the idea of an independent Wallonia. Sunday afternoon, before the congress, Guy Spitaels explained himself more clearly as to what the PS would do if it were to have to take on its responsibilities. "A perfectly gratuitous hypothesis," he added.

The president of the PS specified that his party would remain faithful to a policy of social solidarity (nothing would be done against the VIPO [Widows, Disabled and Retired Persons], or the female and young unemployed), that his party would respect all the previous agreements in matters of aid to enterprises, and that he would not proceed with firings in the public services but that he would stabilize their numbers. As for public finances, Mr Spitaels remained very evasive, providing as a single remedy the struggle against ideological cleavages in terms of hospitals and universities. Finally, because of the devaluation, Guy Spitaels goes along with a reduction of indexing "limited to the negative effects of the devaluation only."

Commentator Sees Hardening

Brussels LE SOIR in French 30 Mar 82 p 2

[Article by Jacques van Solinge: "Renew and Act I: a PS More Socialist and More Walloon"]

[Text] The congress held all through the weekend by the Socialist Party was certainly a disconcerting one! At the start, everything presented itself under the best signs. As with the famous doctrinal congress of November 1974, the meetings took place in the large Paul-Emile Janson auditorium of the Free University of Brussels. And as seven and a half years ago, everything went perfectly in terms of welcome and infrastructure.

As a matter of fact, it is primarily the changes of rhythm in the development of the first stage of the "Renew and Act" congress which are worth noting.

In a country like ours, where political officials, faithful interpreters of the people, distrust like the plague any intellectual or doctrinal reasoning which is too elaborate, it is not easy to invite officials and activists to think. Especially at a time when a number of those officials and activists have already devoted quite a bit of their free time to the various social movements which are currently shaking the Walloon region.

A disconcerting congress, we said. Indeed, never has the gap between the most well established representatives and the activists with fresh ideas been more clear than it was on Saturday afternoon. The tiresome parade of delegates from the federations was followed by the often disorganized but always generous ferment of women, young people, and "culturals." And all of this before an attentive but sparse audience.

On Sunday, the change of scenery was radical. There was a crush to participate in the activities of the committees. As had already been the case during the preparatory work in the branches and in the federations, numerous "new people" played an active role.

As a matter of fact, the first stage of the "Renew and Act" congress marked a revival of activism and a hardening within the PS. Thus, when, following a rather didactic speech without any incantatory effect, President Guy Spitaels left the rostrum, those attending the congress gave him a standing ovation and spontaneously started singing the "International." The circumstances of

the moment and the fears aroused by the government policy obviously explain this desire to fight the authorities. As Guy Spitaels would note, in times of crises the left turns more to the left and the right more to the right.

The aim of the congress was to update the medium term program of the party in light of the economic and social crisis which has been raging since 1974. It resulted in a thick 25 page long folder of resolutions which the officials of the PS will now distribute widely. It will be a test of credibility of the PS which, under pressure from its rank and file, has radicalized its positions both in the area of socialist doctrine and in that of the increasingly determined affirmation of a specifically French speaking and Walloon strategy. All the amendments approved by the congress went in the direction of a hardening of the original texts.

8463

CSO: 3100/513

KYPRIANOU CALLED ON TO CHOOSE BETWEEN GREECE, AKEL

NC041151 Nicosia O AGON in Greek 4 May 82 p 1

["My Opinion" column the observer: "Smoothing Relations--But How? The President Must Decide on the Chosen Course"--passages within slantlines denote boldface as published]

[Text] No one can wish for the continuation or the escalation of the crisis in the relations between Athens and Nicosia. If there are persons who want such a catastrophic development it is certain that they are aiming at completely ruining the Cypriot struggle.

The crisis cannot and must not lead to a final rift for this would also mean the final burying of our struggle. Consequently, it is imperative that sincere and healthy efforts should be exerted not only to end the controversy but also to place the two governments' relations on a sincere basis, something, unfortunately, that has so far never prevailed and which this newspaper has repeatedly called for.

But while we stand for the smoothing of differences, because the national interest and the Cypriot struggle demand this, we want to stress that any pseudosettlement of the differences for the sake of impressing or for misleading the people would be inconceivable and impermissible.

At this moment:

1. There exists here a joint minimum program between two parties, a program which clearly opposes the policy of the responsible Greek Government on the national issue. This program is already being implemented by the Cyprus Government which, in the course of developments, will sooner or later find itself in a /confrontation/ with the Greek Government's policy.
2. There exists here an alliance between two parties whose intentions and aims are to hinder, or rather to render useless, the aces that Papandreou has in hand and the card game that he wants to play in his effort to exert pressure and convince the Westerners to go ahead in achieving certain just initiatives for Cyprus.

Therefore, it is not enough for President Kyprianou to utter words that the joint minimum program "does not oppose Papandreou's policy" or to speak about an alleged "misunderstanding." He cannot try to pacify Papandreou while at the same time flatter Akel whose policy he has cosigned and has undertaken to promote.

The crisis is not resolved with pacifying statements. And even now if, for some ulterior motive, an attempt is made to present the crisis as if it has ended, the crisis will only reappear in the future more intensive and grave.

President Kyprianou must find the necessary political courage and radically face the crisis and, at last, decide which policy he wants to align himself with and which to oppose.

He must decide on /his opinion/ and proceed accordingly.

A simultaneous alignment with Papandreou and Akel is ridiculous.

He will either choose and follow Papandreou's policy and course and oppose Akel; or align with Akel and tell Mr Papandreou that his policy is not for Cyprus' salvation.

The president cannot play on two courts nor can he officiate in two churches simultaneously. This policy leads to disorientation and to certain failure for the Cypriot struggle. If the president thinks that he can proceed on two opposite courses without causing any hardship to the country he is making a big mistake—a mistake that will have disastrous repercussions on the Cyprus cause.

Athens-Nicosia relations are based on the /sincerity/ of the intentions of both sides.

Perhaps for the first time the Greek Government clearly stated to the Greek Cypriots what it is aiming at and showed the authenticity and sincerity of both its feelings and deeds.

It is now the duty of the Cypriot side to also show similar sincerity.

We are waiting to see how Mr Kyprianou will handle this regrettable situation which is the outcome of the Cypriot side's insincere stand. And we wait to see whether he will succeed in curbing his partner's wantonness—of Akel—that continues to speak about the "cruel" and "flagrant" interference of Greece in Cyprus' domestic affairs, thus causing incalculable damage to the Cyprus cause.

When Pravda welcomes the joint minimum program and has the right to have a voice in the internal affairs [of Cyprus], are Papandreou and Greece "interfering" when they express concern over the two partners' options on the national issue?

What does the president say about his partner's cruel statements? Is this the way in which the Athens-Nicosia unity and coepration are being protected—as the pupil of an eye?

CSO: 4621/312

KLIRIDIS TO RAISE AKEL MATTER IN HOUSE

NC060752 Nicosia CYPRUS MAIL in English 6 May 82 p 1

[Text] President Kiprianou yesterday called for an end to what he called the political exploitation of the controversy between Athens and Nicosia over the collaboration of his party with Akel.

He said he could make a full clarification in a speech at Larnaca next Sunday.

Meanwhile the rally party leader Mr Glavkos Kliridhis has served notice that he is raising the matter in the House of Representatives.

He will ask the foreign minister to say if the government agrees with Akel that Athens' comments on the collaboration agreement and the "minimum agreed programme" constitutes an interference in the internal affairs of Cyprus.

President Kiprianou's call for an end of "exploitation" was made through the government spokesman who said that the campaign by the opposition press to undermine the president does not in the least contribute to removing any misunderstanding between Athens and Nicosia but, on the contrary, creates tension and unrest.

Despite provocations by a section of the press, the spokesman said, the president is not going to be drawn into any discussion harmful to the national cause.

He is continuing his efforts for a complete restoration of relations and harmonious cooperation between the governments of Greece and Cyprus to the benefit of national interest.

The rally leader in his query, tabled in the house for foreign minister to answer, notes that the leadership of the Akel party, which he calls the "co-governing party" has insulted the Greek Government and the prime minister for allegedly interfering in the country's internal affairs of Cyprus and asks:

"Does the Cyprus Government consider the expression of opinion by the Greek Government about the minimum programme and the Akel-Kiprianou alliance a violation in internal affairs as Akel declares?"

"If the Cyprus Government disagrees with this stand of Akel and considering that such heavy insults poison smooth relations between Greece and Cyprus, so necessary for the furtherance of the Cyprus cause, why has it failed to declare its disagreement?"

In another statement the rally party says Akel is using the pretext of the act of the Greek Government to pursue a policy of complete severance of Greek Cypriots from Greece.

It notes that President Kiprianou, while attacking the other parties for defending the Athens statement as noninterference, failed to say anything about Akel's abusive remarks on the Greek Government.

CSO: 4600/442

PAPER ACCUSES GOVERNMENT OF COVERING UP FOR AKEL

NC050630 Nicosia ALITHEIA in Greek 5 May 82 pp 1, 8

[Excerpt] With its unacceptable silence yesterday the Kyprianou Government tried to cover up Akel's new attack on the Greek Government which it once again charged with interfering in Cyprus domestic affairs.

At the same time, authoritative circles yesterday also confirmed reports by ALITHEIA that Akel's new attack on the Greek prime minister was launched after Akel was briefed on the content of Papandreou's letter [to Kyprianou].

Specifically, Akel Secretary General Papaioannou requested a copy of Papandreou's letter which clearly indicated the Greek prime minister's opposition to Kyprianou's cooperation with Akel, and recommended that the chairman of the democratic party, Diko, postpone the announcement of his presidential candidacy until next December.

The letter's context infuriated Akel's leadership to the point of daring a second attack on Papandreou while a general outcry against the partnership and the agreements between Diko and Akel continues.

The political audacity of the communist leaders and the silence of the Cyprus Government only serve to justify the fear that the Cyprus issue might suffer even greater damage than the one already sustained as a result of the Diko-Akel agreement. This attests to the dominant political role of the communist leadership at a time when Papandreou is attempting to have serious contacts with Western leaders this month and also in view of the imminent visit of U.S. Secretary of State Haig to Athens during which also the Cyprus issue will be discussed in addition to other matters.

In the meantime Athens, yesterday--acting through diplomatic channels--requested new explanations from Kyprianou. Greek Ambassador Zakharakis did not go to Athens--as reported that he would by a different newspaper. Athens was only visited in a one-day lightning visit by Edek leader Lissaridis.

The unacceptable silence of the Kyprianou Government over the entire situation was officially announced at noon. Specifically: as soon as the daily meeting of political correspondents started yesterday at the public information office,

the government spokesman distributed the following written statement to representatives of the press:

Despite the numerous provocative press reports and the many inaccuracies published by a portion of the press, both Athenian and Cypriot, I have received instructions not to make any statement or comment today that refer to relations between the two governments in an effort to further defuse the situation.

CSO: 4621/312

BRIEFS

VARIANCE WITH NONALIGNED STAND--Diplomats of nonaligned countries in Cyprus told O AGON that the democratic party, Diko-akel minimum program violates and opposes basic principles of the nonaligned movement. They added they informed the Cyprus Government of their appraisal. The same diplomats observed that while the minimum program does repeatedly make mention of imperialism, it mentions absolutely nothing about anti-hegemony which is one of the basic principles of the nonaligned movement. They also argued that many of the minimum program's provisions deviate from the line, goals and aspirations of the nonaligned and create the impression that the foreign policy of governments [as published] will be laid down and directed by Akel which is faithfully attached to the chariot of the Soviet Union. Nonaligned diplomats in Nicosia stressed it is necessary to amend and alter the minimum program so that it conforms to the principles and aspirations of the nonaligned movement of which Cyprus is a founding member. The governments of many Western countries are aware of these positions of the nonaligned and they do not conceal their anxiety over the minimum program and the Diko-akel cooperation. [Text]
[NC060803 Nicosia O AGON in Greek 6 May 82 p 1]

CSO: 4621/312

RAU'S ROLE AS NEW SPD DEPUTY CHAIRMAN

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 26 Apr 82 p 13

[Article by Lothar Bewerunge: "The Way Rau Views His New Task--North Rhine-Westphalia's Minister President Becomes SPD Deputy Chairman"]

[Text] Duesseldorf, End of April--In a great number of interviews about his new role as deputy party chairman, Johannes Rau has stated that he is in no way the SPD's "Messiah," nor that he wishes to become its "traveling preacher." Nor, he added, did he see himself as Brandt's crown prince--in fact, he does not consider himself anybody's crown prince; merely a "republican." On the other hand, Rau said, he had given long and careful consideration to accepting the candidacy for that position, which had been offered to him only a short while prior to the Munich party congress. But this decision was "of course a long-term one." These and similar replies are evasive plays on words containing political concepts rather than substance. But this is exactly consistent with the nature of this man who for the last 12 years has continuously occupied himself with his career in party and national politics. Rau has always avoided showboating in politics, exaggerated claims and hasty judgments. While participating in actual events, he often gives the impression of being an unconcerned observer. Apart from him there are few politicians, even in the SPD, who are that much inclined to listen, who give prolonged thought prior to coming up with an opinion and who even then state that such an opinion is not necessarily the last word.

Nevertheless, during his ascending career Rau has always been aware of the timing of his next step: the move from the All-German People's Party to the SPD; to the Duesseldorf provincial diet via the Young Socialists; fraction chairman there for a few years; a few years as mayor of his native city, Wuppertal; minister for science in the Kuehn cabinet; finally, in his last two moves to date becoming, in competitive elections against Friedhelm Farthmann and Dieter Posser, SPD Land chairman and head of government of North Rhine-Westphalia. Rau has been a member of the national leadership of the party since 1968; in biennial reelections he won by a wide margin each time. The question of what further use the SPD could make of him has been a topic since 1980. At that time, Rau managed to gain an absolute majority in North Rhine-Westphalia for his party for the first time since the establishment of that Land. It was a wide-margin majority at that, 106 seats against 95 seats for the CDU led by Biedenkopf in the provincial diet.

But the Duesseldorf outcome of those days does not merit the awe with which the SPD regards it in retrospect in its present situation. It occurred at a time when the CDU seemed paralyzed in view of Strauss's candidature for the chancellorship, with the actual election still 6 months away. During that Duesseldorf election campaign, Koeppler died after a grave illness and Biedenkopf was stuck with a situation not of his own choosing. Biedenkopf acted like a professor decreeing at a seminar that the election campaign was to be conducted at a purely Land politics level. This was useless inasmuch as the voters had already accepted Rau's and the SPD's platform, which, put succinctly, was this: Strauss or Schmidt? War or Peace?

It is important to remember this because the FDP, which was not prepared for this either, slid below the magic 5 percent margin because of it and the Greens were hardly ready to proclaim their own platform. For this great victory Rau traded the end of the Duesseldorf SPD/FDP coalition, which he would have preferred to extend in view of higher, Bonn-connected considerations. Ever since then he has never tired of warning the SPD against being too frisky. He is the author of the oft-repeated admonition to the party not to waste its energy in jockeying for position, but instead to engage in a "dialogue with the citizen," to promote solidarity in the entire society in view of the worsening economy. Dialogue, sympathy, objective and peaceful discussion mixed with a pinch of cheerful self-confidence--those are the weapons which Rau has in mind and which he uses when he speaks of a capability of self-integration.

Added to this role of Johannes Rau's by which he comes naturally will be another one in his new capacity as SPD deputy chairman. Rau wants to bring political competence to those areas in which he has experience, namely communal and Land politics. This will fulfill a need which is widespread in the party. Inside the power base, certainly within the traditionally social democratic companies in the Ruhr area, there have for some time been expressions of misgivings about "Bonn centralism." This has gone so far as to provoke the reproach pronounced by Dortmund's lord mayor Samtlebe, who says that the distance from the voters' specific social and housing shortage concerns is being increased by "sticking one's nose exclusively into other peoples' missile collections." This is an expression of the opinion that the SPD is making a mistake by concerning itself with world political problems in dogmatic arguments in which the unemployed worker has lost interest because of his own worries. Rau will not permit such oversimplifications within his Ruhr area SPD. But he plans to impress the party leadership in the future with the Land organization North Rhine-Westphalia which furnishes one out of every three SPD members.

For all the circumspection with which Rau is embarking on his new task in the party, conflicts are certain to arise soon. Heated negotiations about a revised distribution of the value-added tax will shortly take place between the federal government and the Laender. On this issue, Minister President Rau is firmly entrenched on the Laender side, the chancellor and his cabinet on the other. Because of North Rhine-Westphalia's great debt burden--the total debt has already exceeded this year's DM 53 billion budget--Rau wants in the future to profit directly from Federal supplementary allocations.

Besides that there are among the Laender, including the few still being governed by the SPD, conflicts over the methods of calculating the Laender finance equalization. For this reason, the social democratic striving for harmony which manifested itself in Munich, at least in personnel questions, will not persist on a day to day basis, since Rau will shortly confront Schmidt from the adversary side of the negotiating table. To this will be added some purely bilateral questions, such as the decision on the ration with which the Federation and North Rhine-Westphalia will share the subsidy for the Ruhr's steel industry. In this matter, Rau must pay attention to the interests of North Rhine-Westphalia and to those of the Ruhr area SPD. The job of minister president in Duesseldorf, which will certainly be his beyond the Bundestag elections of 1984 and into 1985, is, and will remain, a training ground for him for the time being.

9273

CSO: 3103/430

SEW PAPER SAID TO CRITICIZE GDR ON PEACE EMBLEMS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 27 Apr 82 p 6

[Article by Peter Jochen Winters: "How To Get From A to B by Accident"]

[Text] The "Socialist Unity Party of West Berlin" (SEW) may not be quite as faithful to the party line as it claims to be. In any case, it did level criticism at its mother party in the GDR and spoke its mind to her. The unbelievable happened in an editorial with the suggestive title, "Open Season on Stickers" in the SEW daily DIE WAHRHEIT last Monday.

One week earlier the bishop of the Lutheran Church in Berlin-Brandenburg complained once again before the synod in East Berlin that, since February of this year, there have been repeated police measures aimed at young people in the GDR who have been wearing the emblem "Schwerter zu Pflugscharen" (Swords into Plowshares), the symbol of the "peace decade" proclaimed by the GDR Lutheran Church in 1981. Usually the young people wearing the patch have been ordered to remove it, reported the bishop. If they refuse, they are often detained for hours at police stations. There have also been frequent instances of insults levied at the emblem. The peace patches are said to represent "a derision of the policies of the GDR," to be directed against its defense policy, to represent an invitation to evade military service and to promote pacifism and anarchy. A prohibition on wearing the patches has been imposed at schools and universities. Young people who have worn the patch have been threatened with expulsion from higher secondary school or from the university. Cases have been reported from East Berlin and other cities in the GDR of police or officials of the State Security Service publicly tearing from the wearer's clothing the patch which bears the Old Testament motto.

A Suitable Occasion

None of this was a secret to the editors of the SEW paper DIE WAHRHEIT. Apparently they had only been waiting for the right opportunity to be able to speak their mind--even if it had to be disguised. The opportunity finally arose: last Sunday, according to DIE WAHRHEIT, a West Berlin police officer removed a sticker from a car, showing the traditional Berlin bear with a police riot helmet, shield and riot club and bearing the motto, "The Berlin City Council Greets the Rest of the World." The driver was arrested on charges of lese-majesty.

Now the editors could really give vent to their wrath. "The stability of the West Berlin state must really be in a bad way. The CDU city council feels threatened even by stickers," said the editorial. But who would be so naive as not to read the GDR instead of the "West Berlin state" and the SED instead of the "CDU city council"? Even better things were to follow. "This shows a depressing example of how the CDU city council understands democracy. The council fears criticism like the devil fears holy water; thus the open season on stickers.... The council has no respect for the free expression of opinion and has reacted with the methods of a police state. Just one more way of bringing the city's reputation into disrepute." That this opinion circulated by the "Socialist Daily of West Berlin" was going to cause the SED to have second thoughts about its own persecution of a Christian symbol would have to be doubted. What is more likely is that the editors responsible for DIE WAHRHEIT will be in for their own hard times.

9878

CSO: 3103/432

SPECULATION CONTINUES ON HESSE FDP'S COALITION DECISION

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 31 Mar 82 p 12

[Article by Bernd Erich Heptner: "Speculation About the 'Time After Boerner'"]

[Text] In answer to the question what kind of coalition statement the Hesse FDP would come up with in respect to the Landtag election at its party convention in June, there were in the last few weeks frequently very subtle answers. A Wiesbaden FDP politician, for example, told a Jewish joke in answer to a similar question: Does man live from the inside out or from the outside in? Moishe thinks about it for a long time and finally says: If that is the way the question is put to me, then I can only answer: yes.

Of course, from such subtle and profound answers it is possible, if need be, to read a coalition statement, the statement that the FDP in any case would like to continue to govern, whether with the SPD or with the CDU is secondary. Yet presumably the voter wants to know a little more clearly what the FDP is thinking of doing after the election in the fall, in case it then still has representation at all in parliament and is needed to form a government. During the weekend the Hesse FDP now became clearer. Gries, its Chairman, told its coalition partner, the SPD, although actually more for the potential voter, that the FDP can also go with the CDU. If it is no longer possible to engage in "reasonable politics" with the Social Democrats, then they will form a coalition with the Christian Democrats.

This was Gries' reaction to the "offenses in thinking" by Minister President Boerner, Land chairman of the Hesse SPD, which of course were intended for the delegates of the upcoming national meeting in Munich. With his "memorandum" which was published last Friday Boerner did the FDP a big favor. He handed his Hesse coalition partner a means by which the latter can more reasonably justify and thus accelerate the withdrawal movement which has been obvious now for weeks in the Land FDP. Boerner's suggestions for a "future investment program" and for an "active labor market policy" which in his view can be financed with a supplementary and labor market contribution for those with higher salaries and officials were for the Free Democrats the sought for opportunity which permits them, one-half year before the Landtag elections, not only to keep their distance from the SPD, but also mainly from Minister President Boerner.

Thus far this had always been very difficult for the FDP. Because apart from occasional disagreements, the Free Democrats had scarcely been in a position to complain in the legislative session which will soon end about the cooperation with the government head.

The consequences of the good cooperation in the Cabinet, which was praised by both sides, were that in the past it was always difficult for the Free Democrats to even question the continuation of the SPD/FDP coalition which has been in existence in Hesse now for 12 years, whenever other reasons suggested doing so. And the failings of the Bonn coalition together with the change in mood of the German people increasingly suggested this in the past few months. Even if it frequently awakened the impression of dancing on eggs, the Hesse FDP leadership succeeded in the past few weeks in gradually getting loose from the SPD coalition partner and swinging its way into a middle position "with equal distance from the SPD and CDU" (Gries). With the balancing act, which was to open up "options" for the party, as it is said in modern German, the leadership at the party meeting in mid-March in Kassel was to be sure merely finishing up something which fundamentally had already progressed considerably further. That the delegations were not totally satisfied with the "tightrope act of the sphinx," as it was called in Kassel, was apparent from the result of the vote for Gries in nominating the slate (he received only 186 of 298 votes): the party-left, which at present is preparing a "Hesse Cologne" took offense at his withdrawal movement; as far as the party-right was concerned Gries did not push reconciliation with the CDU decisively enough, and the insecure middle missed the clarity about where it finally was to go now.

According to Minister of Economics Hoffie, at the latest this became clear to the FDP leadership on the day of the Lower Saxon Landtag elections, in so far as it did not already know it. The goal can only be: "Away from the SPD, for after all the Free Democrats are not suicides" (Gries), who would like to be dragged down to ruin by another party. But as an obstacle there was the figure of Boerner who commands respect from many Free Democrats, whose fall the FDP did not want to have on its conscience. In short, the SPD/FDP coalition was, from its own statement, no longer "a monument" for the FDP, but the Boerner monument made the coalition statement quite delicate. Since the weekend now, the treatment of the topic has, of course, not been easy, but has nonetheless become easier. The Boerner monument has in the eyes of many Free Democrats fallen by itself from the socle.

When the--foreseeable--effect in the FDP was seen in the SPD, there were various reactions. Boerner appeased them by saying his attempt was not directed at the Hesse FDP, but rather at his party's national delegates; he considered it "inappropriate" if one party interferes in the internal discussion of another. South Hesse district chairman Goerlach warned the FDP of a "hectic reaction" and predicted an election defeat for it if it appeared as an "appendage" of the CDU and referred to the--totally unattestable--desire of the people for continuation of the "social-liberal" coalition in Wiesbaden.

The reaction of the Social Democrats shows that the SPD's dilemma, even if different, is nonetheless at least just as great as the FDP's. In Boerner's estimation, in the SPD's campaign it will be a matter of appealing to their regular voters through "classic Social Democratic politics" and to get them to the polls; it must be made clear to the workers that in times of shrinking economic growth, in which there is less to distribute, the SPD can still best see to it that what little there is, is justly distributed. Boerner appeals to the old SPD virtue of solidarity. With the SPD now thinking of its roots in the campaign, it must necessarily come into conflict with the FDP, at least with the latter's performance-oriented part.

Therefore, to the extent that the SPD, as it says, will increase its election chances by mobilizing its regular voters, it is driving its FDP coalition partner, together with which it would still have a chance of achieving a governing majority, into the arms of the CDU. Those in the Hesse SPD who have a very clear view of the conflict in goals, which should almost be termed tragic, are, of course, trying to gain something positive even from this dilemma. In the campaign line of the SPD they see an anticipated substantive contouring of the opposition role of the SPD for their time after the election. They fear that the SPD must be rebuilt again right from the very beginning until the voter is again ready to give it the responsibility for government. Those large plans, which in the past 2 years marked the SPD's government policy, might play only an inconsequential role after the fall. Biblis C has been largely written off by the SPD, the nuclear processing plant, according to the belief of many Land politicians, not only of the SPD, will not be built in Hesse anyway by the proponent. The only thing left then is the expansion of the airport. Yet the legal difficulties in respect to its planning are at least as great as those of the Hesse coalition.

In Wiesbaden "the period after Boerner" seems to have begun. But in the CDU it is said that this has often been a near thing. And that that was then as far as it went.

12124

CSO: 3103/403

KIEP SELECTS TEAM FOR HAMBURG ELECTION

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 23 Apr 82 p 5

/Report by k.w., datelined Hamburg, 22 April: "Kiep Presents His Team"/

/Text/ By last Thursday's nomination of a 6-man nucleus of possible future Hamburg senators, Christian-Democrat mayoral candidate Kiep presented (to cite his words) "a CDU team" for the coalition Senat expected to take office in Hamburg after the forthcoming assembly election. By confining itself to only a few names the CDU intended to define certain factual attitudes and, at the same time, indicate to a possible partner in coalition negotiations--the FDP--its readiness to remain flexible. On the eve of a 2-day Land party congress of the Hamburg FDP (to be attended by federal chairman Genscher), Kiep lent further emphasis to these advances by his interpretation of the Munich resolutions on economic and financial policy. Kiep described this party congress decision as the "last step toward the end of joint coalition policies in Bonn." In his opinion it had confirmed the necessity of the FDP's departure. The party congress resolutions on labor market and tax policies had called into question the "essentials of Free Democratic policies," and this made the further pursuit of social-liberal cooperation in Bonn just as unlikely as the revival of the SPD/FDP alliance in Hamburg. Kiep said that the Munich federal SPD congress and its resolutions had set new signposts: The beginning of the Social Democrats retreat behind the Godesberg positions." Unmistakeably addressing himself to the FDP Kiep said that, as far as he was concerned, the SPD had taken itself "out of the race as a possibly majority force and popular party" for some time to come. This, he considered, was a serious loss for the German party scene and for democracy.

The list of names submitted by Kiep last Thursday for a (currently) much reduced shadow cabinet suggests that the economics and finance departments must be counted among those priorities that, in Kiep's words, the CDU can under no circumstances give up. The dominating event of this introduction of candidates was the information that mayor Kiep would himself head the economics department, "at least for the initial period of policymaking after the organization of the Senat" led then by the CDU. Until now the senior Hamburg mayors headed a department at most temporarily, and then only in exceptional circumstances. However, one such example occurred at the time of the "citizens bloc" Senat in the 1950's, and Kiep evidently refers back to that incident by his claim to temporarily head a department. His intention is notable, not only due to the amplitude of the powers he would then exercise. In answer to a question Kiep confirmed that he had rejected several names of allegedly well-known possible candidates from among Hamburg businessmen for the job he was claiming for himself. Kiep explained this rejection of a solution that--in his own

words--"was initially most attractive" by citing his own experiences with businessmen in his (very different) capacity as administrative department manager.

As candidates for senatorial office Kiep presented two Hamburg Bundestag deputies and two Hamburg assembly representatives each as well as two "outsiders," including a woman. Independent Helga Stodter, wife of a shipowner, who can boast experience as an attorney, in the diplomatic service as well as lively and international work with associations, is presumably being considered for the justice department now also administered by a woman, former president of the superior post office directorate Eva Leithaeuser. Earmarked for the difficult education department is former Hamburg and currently Bonn education specialist Ruehe. Bundestag deputy and long-standing Hamburg Land chairman Echternach is said to be ready to take on the construction department. His successor as fraction chairman in the Hamburg assembly, Perschau, would head the interior department and assembly representative Peiner the finance department. Social expert and deputy DAG /German Salaried Employees Union/ chairman Quartier would represent the social committees in a CDU led Senat. At the same time Kiep affirmed (also clearly for the benefit of the FDP) that these possible departmental appointments were not yet definite. In any case many important jobs remained to be filled, for example the environmental agency. Legal expert Willich, deputy to fraction chairman Perschau, is the favorite to succeed the latter if he should join the Senat.

Remarkable in this list of Kiep's skeleton team is the absence of federal politicians who have made a name for themselves outside Hamburg. In this context Kiep pointed out his earlier proclaimed intention as far as possible to forego "imports." Hamburg had enough experts of its own. Next Saturday Kiep's chosen team will be presented to the delegates at a Land party congress. On that occasion Kiep also wants to explain his conceptions of immediate measures to be taken in the first few months following the election.

In his first comment about Kiep's statements on possible coalition negotiations, FDP Land chairman Brunnstein pointed out that, according to the Hamburg Free Democrats party congress resolution, no coalition with the CDU was to be sought. He considered it remarkable that Kiep had "distributed the bearskin" before the beast had been killed. The pattern showed the "narrow choice of personnel" of the Hamburg CDU. As far as the FDP was concerned, a candidate for the education department such as "educational reactionary" Ruehe was a "guarantor of massive conflicts on educational issues." This nomination served to demonstrate that the CDU's claim to liberalism was entirely spurious.

11698

CSO: 3103/428

FDP OPENLY CONSIDERING END OF COALITION WITH SPD

Hamburg DER SPIEGEL in German 3 May 82 pp 19-21

[Unattributed article: "Riding the Tiger"]

[Text] FDP openly and publicly debates end of socialist-liberal pact for first time. Party chief Genscher tells fraction to be prepared for such an eventuality. Even liberals still loyal to coalition doubt Bonn pact will hold much longer.

The special session of the FDP fraction had been scheduled far in advance; but none of the 54 deputies present thought it would turn out as dramatic as it did. Summing up the debate that had gone far into last Tuesday night, Hans Gattermann called it "a historic meeting."

It was clear ahead of time that this would not be a routine meeting—at the very latest when it became known that the fraction would meet "with just 54 pairs of eyes looking on," as fraction secretary Klaus Gaertner put it.

All others were locked out and fraction chairman Wolfgang Mischnick asked his colleagues at the very start of the meeting really to keep mum about the proceedings this time.

Those in attendance soon understood why. Without further ado and "with much seriousness," as one participant later said, Mischnick started right in. "We must now turn to the question of whether and under what circumstances the coalition should be terminated," he said.

To be sure, the question was not new. In small groups almost every one of those present had bruited about rumors, suppositions and scenarios regarding the end of the socialist-liberal coalition during the weeks past. But both those on the left and the right wing of the party were taken by surprise when the fraction chief of all people, whose loyalty to the coalition is well known, broke the taboo and put the issue on the official agenda.

They were all relieved. Men like Otto Graf Lambsdorff who long since had lost their taste for the SPD could at last give vent to their feelings and those others who still could not see the CDU/CSU as a partner found it useful to see submerged sentiments come into the open at last.

The FDP leadership had always been adept at putting a smoke screen around its plans and intentions. When people first began speculating last summer that the FDP program called for the election of Helmut Kohl as chancellor soon, the party membership was concerned lest the FDP stumble into a new coalition without thinking. "That must not happen again," Mischnick said last Tuesday.

After these initial remarks, the chairman turned to the worst-case scenario for the first time.

The situation is explosive, Hans-Dietrich Genscher said. The FDP would initially have to try to continue governing together with the SPD. But—and this was Genscher's most important point—they all had to countenance the possibility that the attempt might fail.

An anxious mood descended on the members of the fraction. Opponents and supporters of the coalition took the floor. There were those who deplored the state of decay of the SPD and there were those who pointed to the sad state of affairs in the CDU/CSU.

No one denied that there were risks involved in changing partners. But the conclusion drawn by one of the participants after the meeting was even more pessimistic, if anything, than the chairman's somber prognosis to the effect that there was still a majority for continuing the coalition with the SPD "but that it was becoming more and more doubtful that it would work out."

There is a good reason for the fact that even those loyal to the coalition have their doubts about its continued existence; but hardly anyone is willing to admit it openly. The fact is that they, too, are afraid that by tying their fortunes to the SPD the FDP might be drawn into the apparently inexorable downslide of the former and so not only be removed from power but also from the Bundestag by the outcome of the 1984 elections.

Nothing has been decided yet. Hans-Dietrich Genscher, too, considers the Hamburg election on 6 June the decisive test.

But he left the fraction with the impression that the SPD had already made a clean break when the resolutions on economic policy were passed at the party congress. The very request to discuss the Munich vote on employment policy had placed the coalition at risk.

The supporters of the coalition tried to counter this argument. Interior minister Gerhart Baum said that they should not always drag out issues that separate them. In fact, he said, "there are a good many points we agree on that we should talk about." Mischnick, for his part, pointed out that a crisis can be brought on by loose talk. Under such circumstances, there would be no credibility left at all, if a change were made.

Others, however,—with Lambsdorff in the lead—felt the issue was decided some time ago and not only because of the Munich proceedings. As for Lambsdorff, he even criticized the laboriously achieved 1982 budget compromise after the fact.

In the economic minister's view, the FDP's market value for the CDU/CSU drops with each passing day. For the first time Lambsdorff told the fraction bluntly that he was for putting an end to the coalition. "The sooner we do so, the more we are worth," he said.

The analysis presented by general secretary Verheugen was equally somber. "I can still see great opportunities," he said. But, he added, the SPD leadership had maneuvered itself into a terrible dilemma. It had "pursued the wrong strategy" in Munich.

The SPD, Verheugen pointed out, should not have permitted resolutions on economic policy to be passed which could not be carried out in the coalition. If the government does not put into effect at least some parts of the Munich program, however, there will be "a great deal of frustration" in the ranks of the SPD. But if the SPD tried to push through party congress resolutions in the cabinet, there would be "enormous trouble" in the ranks of the coalition. It is like "riding the tiger," Verheugen said.

To make clear what situation the coalition partner is in, Verheugen brought along some figures which reflected the "catastrophic" position of the SPD.

According to the most recent polls conducted in March, the SPD has dropped from 42.9 percent at the Bundestag election in October 1980 to between 30 and 34 percent at present. In Baden-Wurtemberg, it has even gone below 20 percent.

But not only the SPD but the chancellor himself have been caught in the down-draft. In January 1980, the voters gave Schmidt a rating of 2.8. In March 1982, he had dropped down to 1.9 on the +5 to -5 scale.

The FDP itself, Verheugen continued, still stands between 8 and 10 percent almost as it did at the time of the Bundestag election. But that could change very rapidly, since the downward trend of the SPD was paralleled by the upswing of the Greens.

All the polling organizations are already giving the new party a good deal more than 5 percent of the vote, with Infas even going as high as 7.5 percent—and the upward trend is continuing. "One can see the time coming," Verheugen said, "when the FDP and the Green curve will intersect."

The capability of the FDP to tip the scales, its long-time lock on government participation with either the SPD or the CDU/CSU is now in jeopardy. "The road that leads from 8 percent of the vote to utter insignificance is short indeed," was the way Hans-Guenter Hoppe, a Bundestag deputy put it.

At the fraction meeting, deputies Hans Gattermann, Julius Cronenberg and Juergen Moellemann—who all belong to the right wing of the party—pointed to a quick way out: make the switch to a coalition with the CDU/CSU even prior to the Hesse Landtag elections. The FDP should either approach the CDU/CSU directly or in the roundabout way of calling for new elections.

An SPD that does not have to govern, so the reasoning goes, would be far more useful to the FDP, since the social democrats would be in a much better position as an opposition party to draw on those voters who today turn to the Greens, thereby putting an end to their competition with the FDP.

As proof of that general theory, Hoppe has been saying for weeks that the rightwing radical NDP was absorbed after 1969 by the CDU/CSU which had been forced to go into the opposition.

All these sober tactical considerations, solely aimed at retaining power made Gerhart Baum extremely angry. It was all "stuff and nonsense," he said—"totally unreflected talk."

The interior minister believes the supporters of a new coalition are starting from a false premise. He said he thought the theory that the Greens who are ideologically wedded to a specific value system would suddenly turn to the SPD just because it would become the spokesman for the opposition was quite erroneous.

But even if the SPD, the labor unions and the peace movement could form a united front in opposition to existing foreign and security policies, this would lead to a severe test of strength for the FRG which no one could wish for.

At the end, Genscher tried to paper things over. "Make no mistake about it," he told the deputies, "the FDP has never switched directly from one coalition to another before."

But not only before the fraction did he avoid dropping any sort of hint that he still believes in a socialist-liberal future—quite the contrary.

He did not utter a word about the government shakeup finally effected by Helmut Schmidt after a good deal of infighting. In his inner circle, he heaped scorn and criticism on the chancellor.

One could not truly say that Schmidt had hit the jackpot, he observed. And when someone said that he was now sharing the cabinet bench with the last of the SPD reserves, he did not dispute him.

He maliciously deplored the fact that Schmidt was unable to find anyone from among the large SPD fraction to serve as finance minister. He would have been able to present him with several from among the FDP fraction, Genscher said.

Nor is Heinz Westphal, the new minister of labor, to Genscher's taste.

He still remembers last summer's debate about the 1982 budget where Westphal was the only participant to unnerve the FDP with his unbending social democratic orthodoxy.

Leaving himself open to many interpretations, Genscher said last week he would have no comment on Westphal's appointment.

Genscher thought it was an indication of the desolate state the SPD is in that several of those Schmidt asked to serve as ministers turned him down.

One of those who was asked but did not accept was Horst Ehmke. Six weeks ago, he visited Genscher in his office.

Ehmke asked Genscher at that time whether it made any sense for him to join the Schmidt cabinet. Of course it made sense, Genscher replied smugly—as long as he himself was in the cabinet, too.

"But for how long," Genscher added. "That is something for you to ponder."

9478

CSO: 3103/444

POLICY TOWARD FOREIGNERS BECOMES HOT POLITICAL ISSUE

Hamburg DER SPIEGEL in German 3 May 82 pp 32-35

[Unattributed article: "Foreigners: People Are Sick and Tired of Them"]

[Text] Right-wing "citizens initiatives for a ban on foreigners" are calling for referenda and hoping for election victories. Social democrats afraid of losing votes and calling for a "turn toward realism" in dealing with guest workers and foreigners seeking asylum. Hessian Minister President Boerner says: "Integration will not do the trick."

There is one political issue Hamburg's mayor Klaus von Dohnanyi (SPD) would just as soon not have to talk about again prior to the mayoralty elections on 6 June. The policy toward foreigners, he hopes and prays, will "not become a campaign issue."

But it already is. As Dohnanyi was announcing a bill in the Hamburg legislative assembly last month to give foreigners the vote in municipal elections, a single-issue party constituted itself based exclusively on the foreigner problem. It appears on the ballot under the name of "Hamburg List for a Ban on Foreigners" (HLLA).

This is the first time in a West German Landtag election that a party which bases its platform on resentment against immigrants is running a slate of its own. But the HLLA, which is being run by the National Democrats, is just one of countless groups in the FRG now trying to ride the crest of a wave which appears to have swept up more and more people.

A strange alliance has emerged in the FRG: from the far right all the way to the left there now is a phalanx of West Germans who are fed up with the influx of foreigners. They are all saying thanks but no thanks to foreigners: blue-collar workers and academics; National and more recently even Social Democrats.

There is hardly any other issue on which the views of so many citizens have undergone such a fundamental change over the past few years as the foreigner issue. It is no longer a minority of 39 percent, as it was in 1978, but a majority of 66 and 68 percent who voice their opposition to "giving guest workers who want to stay an opportunity to remain in Germany permanently" in polls conducted by Infas and Emnid. Two-thirds of the respondents said yes when asked whether the foreigners "should return to their country of origin."

On the one hand, the number of foreigners grew by about 650,000 during the past 3 years to 4.63 million. On the other hand, Bonn's attempts at integrating the guest workers and their families did not meet with success during the seventies. Among the second and third generation of foreigners, a veritable army of unadjustables has grown up. Natives and immigrants are competing for jobs and housing and in many school classes there are more Turkish children than German children.

The economic crisis and fear of foreign infiltration proved a boon for the National Democrats in particular. To be sure, the NPD decided last fall to concentrate on the next Bundestag election and not to run any candidates in any of the Landtag elections before then. But wherever anti-foreigner initiatives are underway, National Democrats are generally part of them.

The SPD is watching the establishment of such groups with concern. It is not only worried that the voters might turn on the SPD for its failures in foreigner policy but that West German rightwing extremism might experience a rebirth.

That is why SPD party secretary Peter Glotz is calling for a "turn toward realism" in dealing with guest workers and foreigners seeking asylum. There is a great risk, he feels, that the SPD could "make a mess of this issue, too" as it did of the nuclear and the modernization issue.

"There is an even greater danger," Glotz added in a piece which appeared in *SOZIALDEMOKRAT MAGAZIN*, "which is that we might virtually be spawning rightwing extremism by carrying on unrealistic policies."

"Out with the Turks" has long since become a standard graffito on West German cities' walls. In pubs and snack bars, they are telling a joke with murderous overtones: "What is the difference between a white line and a Turk?" to which the answer is: "One is not permitted to drive over a white line."

Now explosive the issue is became apparent weekend before last when politically motivated violence against foreigners broke out. In Hamburg, a flying squad of masked neo-Nazis armed with gas pistols and baseball bats swooped down on some Turks at a youth center and in Dortmund, the police are still trying to determine whether it was rightwing Germans or extremist Turks who wrecked four Turkish shops with an explosive charge.

An assault by Khomeini supporters on Iranian opposition elements in Mainz added to the prejudice against foreigners. Foreigners who import political terrorism from their native country, the interior minister of Rhineland-Palatinate, Kurt Boeckmann (CDU), said, "have forfeited their right to remain here."

Protests against foreigners—both guest workers and persons seeking asylum—are on the rise. In Gummersbach, people used the "citizens' call-in line" to complain that the foreigners "are driving Mercedes automobiles but not doing any work." The German hotel and innkeepers association's complaint is that

more and more unemployed foreigners are being given licenses to sell alcoholic beverages—complaints which reflect a mixture of anger regarding actual or alleged social injustice and hostility against foreigners.

In this climate, a "German Liberation Movement" is flourishing which vents its anger in leaflets pointing to the "scandalous situation where four million foreigners are loitering about making...impudent demands." Other groups are convening "foreign infiltration congresses" and calling for "keeping the German race pure."

The DEUTSCHE NATIONAL-ZEITUNG (circulation about 125,000) is calling for an "initiative for a ceiling on foreigners," the slogan being "let Germany remain the country of the Germans." An FRG-wide "Citizens Initiative to Ban Foreigners" (BIA), based in Bochum, is conducting a membership drive which plays on people's fears: "We now have slums as in the United States. Chicago and Harlem are emerging on our doorstep."

In North Rhine-Westphalia, BIA is trying to use these sentiments to win votes. National Democrat Hagen Prehl, a professor at Hagen technical college who founded the movement, had no trouble collecting more than 3,100 signatures on a petition for a referendum calling for the establishment of separate classes for German and foreign students in the schools of the land.

The SPD Land government in Duesseldorf sidestepped the matter for the time being. Since North Rhine-Westphalia was bound by a UNESCO decision to offer equal instruction to foreigners and natives, the referendum would be illegal. Now Prehl wants to take the matter to the constitutional court of the Land.

In Hesse, a "Citizens Initiative Frankfurt M—Eastend" informed the socialist-liberal coalition government about what their members think: "The people are sick of working hard to pay taxes for the asylum seekers."

That such threats are to be taken seriously was proven by the outcome of the communal elections in Schleswig-Holstein. The "Kiel List for Limiting Foreigners" (KLL) got 3.8 percent of the vote in the Land capital on the first try. In working class districts such as Gaarden-Ost, the group, which is run by former KPD members, even got 6.2 percent.

"Such results are tantamount to a mandate," said Fritjof Berg, a member of the KLL presidium. The members of the Hessian "Citizens Initiative for a Ban on Foreigners" spell out what that mandate is by referring to the "praiseworthy Heidelberg manifesto" composed by eight German university instructors and listing ways of combating the "subversion of the German people."

Three natural scientists, two medical men, one historian, one social scientist and one theologian issue a warning in this appeal against the "foreign corruption of our language, our culture and our folk characteristics." In order to avoid "the well-known ethnic catastrophes of multi-cultural societies," the folksish commentators call for German women to bear more children of their own and for the foreigners to return to the country of their origin.

The sentiments that are coming to the fore are of concern to the West German social democrats primarily. Chancellor Helmut Schmidt may still be saying that we must not "make the foreigners pay for the mistake of our having called in too many of them."

But down at the grass roots and among the functionaries, a change of heart is making itself felt. The party is giving ground "under massive pressure from the right," says Elcin Kuersat, a Turkish woman member of the Hanover district SPD presidium.

The integration line, Hesse's Minister President Holger Boerner found for example, "will not do the trick." For that reason, the influx of foreigners must be "rigorously stopped." Hans-Juergen Wischniewski, the minister in charge of the chancellor's office, sums up the new mood in this way: Turks: "Who slaughter lambs in the bathtub" just cannot be neighbors with indigenous people any longer.

And here is what SPD community affairs expert Martin Neuffer says; it does not differ by much from the views of the rightwing anti-foreigner crowd. The Germans, he states, must be spared "avoidable social problems such as arise as a consequence of the admission of large ethnically and culturally alien population groups." Their "right" should be protected "of living in a German and not a multi-national country."

There is the fear that the Turks could be "relegated to the role of the Jews in the Third Reich," as North Rhine Westphalian interior minister Herbert Schnoor has put it—and then there is the fear of losing votes. For the fact is, as SPD secretary Glotz has observed, the conflicts surrounding the foreigner issue "are of concern only to us. The 'CDU districts' of the rich and well-to-do are not touched by them at all."

Glotz and the others in the SPD do not know what to do. "What happens," an SPD politician asked, looking ahead to the Hamburg election, "if we not only lose votes to the Greens in the foreseeable future but also to rightwing anti-foreigners parties?"

Just as they did in March in Kiel—where the proportion of foreigners stands at 6.2 percent—the anti-foreigners in Hamburg—where one in ten is an immigrant—are concentrating their attention on the SPD strongholds in the working class districts.

Anonymous leaflets are meant to stir up fears: "Would you want to give up your apartment to a foreigner? Think of your pension which we have to pay out to foreigners...Germany belongs to us. Soon we will be in the majority; then we will show them."

In areas where people are directly affected by the foreigner problem—in the older parts of towns, in districts with a high concentration of foreigners and blue-collar workers, Hamburg election analyst Andreas Kohlsche thinks

the anti-foreigner groups may do well. If the voters are not made aware of the fact that the HLA is nothing but an NPD retread, Kohlscbe believes that the group might affect "the outcome of the election decisively." If the SPD should lose votes to both the Greens and the HLA, they might not even be strong enough to form a coalition with either the FDP or the Greens.

END

CS: 0105/445

PROTOCOL ISSUE FACTOR OF QADHDHAFI'S VISIT'S POSTPONEMENT

Paris LE MONDE in Greek 30 Apr 82 p 3

[Article by Marc Marceau]

[Text] Athens--Col Qadhdhafi's improvised visit will not take place. An official communique has announced that by mutual agreement, this visit has been postponed because of unexpected obligations on both sides. It seems that a question of protocol also contributed toward this postponement.

Indeed, Constantine Karamanlis, the president of the Republic, reportedly felt that he did not have to receive the head of the Libyan state in Athens, since the latter was the personal guest of Prime Minister Andreas Papandreou. In fact, Col Qadhdhafi had somehow invited himself, and his visit would have thrown into disarray the schedule of official visits and travels, while not producing spectacular initiatives.

On an economic level, the possibilities of trade and cooperation remain rather limited. Greek industrial and agricultural products could, of course, be exchanged for Libyan oil, but its price is high and Greece has taken care of its needs. On the other hand, the prospects of participating in new and important projects in Libya do not seem to attract Greek technical firms, which would like Tripoli to settle a number of disputes on contested sums.

On the cultural level, close cooperation has been ensured for decades, and numerous Libyans attend Greek universities and military schools.

As for the political field, the assumption of power by the Greek socialists fosters closer ties between Athens and Tripoli. However, Greece maintains friendly and trusting ties with other Arab capitals, whose relations with Libya are, to say the least, on the cold side. Greek leaders must, therefore, be very circumspect and take into account the rivalries and contradictions inherent in the Arab world, all the more so because significant Arab investments are currently being negotiated, primarily with Saudi Arabia, whose prime minister is slated to visit Greece in the near future.

CSO: 4619/91

'I KATHIMERINI' ENDORSES NATO EXERCISE ABSENCE

NC051633 Athens I KATHIMERINI in Greek 5 May 82 p 5

[Editorial: "Reasonable Stand"]

[Excerpts] If the reasons the Greek Government has decided the Greek armed forces will not participate in the well-known NATO air and naval maneuvers ["distrant drum 82"] in the Aegean are those mentioned in the pertinent press reportages, it should be admitted that the government's decision is justified.

Really, according to yesterday's reliable press reports, during the planning phase of the maneuvers Greece asked for the amendment of the section which provided for aircraft flights east of Lesvos and Samothraki Islands within the 6-mile limits. Greece considered that this would place in question [the sovereignty of] a part of the Greek national airspace, the limits of which are 10 miles from the coast--in the concept that Turkey, with its well-known ill will and designs against the Greek limits, could invoke this as a "precedent" to question in practice the area and limits of our national airspace and to violate it. So, our country requested that during the maneuvers the aircraft of the alliance should report and give notice of their entry into Greek airspace inside the 10-mile limits. The military committee of the alliance, to which the Greek Government referred, did not accept this Greek position. Following this, it was decided that Greece would not participate in the maneuvers, a fact which will also cancel the controversial section of the maneuvers.

It must be admitted with all objectivity that our country's demand is both reasonable and well-founded, while the alliance's refusal to accept it is inexplicable and unwise.

Therefore, Greece's particular sensitiveness on this issue is absolutely founded and justified. Our country could not differ from the strict observance of limits and regulations by anybody, even by aircraft of other allied countries and within the framework of the joint allied maneuvers, strictly to prevent the establishment of a "precedent," which Ankara might attempt to "invoke" or "exploit."

This is exactly why the alliance's stand is inexplicable. Why did the alliance refuse Greece's term about notification in the event that aircraft entered Greek airspace inside the 10-mile limits during the maneuvers? What would it

have to lose and how would the maneuvers be obstructed? What is the reasoning of the alliance's refusal? Is it preferable--and here we invoke common sense--that the Greek armed forces not participate in the maneuvers and an entire section of the maneuvers be canceled?

However, this stand of the alliance is also unwise. This is because it creates, strengthens or incites among the Greek people negative attitudes and reaction toward the alliance. At the same time, it maintains or even deepens the crisis which torments its entire southeastern wing because of the Turkish designs against the Greek space--and only the Greek space.

It is so difficult to explain this stand, through common sense and according to the documented criteria of an alliance, so that--as we have also pointed out at other times--it raises reasonable (and anything but constructive) questions as to the priorities of at least certain leading elements of the alliance....

CSO: 4621/312

NAVY'S LARGEST SHIPBUILDING PROGRAM DETAILED

Bonn WEHRTECHNIK in German Apr 82 pp 21-24, 26-30

[Article by Hans-George Forndran: "The Class 122 Frigates"]

[Text] On the commissioning of the class leader, the Frigate "Bremen." In the middle of April, the German Navy will commission the first of six frigates of the "Bremen" class. Ministerial Director (Ret.) Engineer Hans-Georg Forndran describes the characteristics of this, the Navy's biggest shipbuilding program.

After successful acceptance by the customer, the Federal Bureau of Military Equipment and Procurement in Koblenz, the class leader of Class F-122, the Frigate "Bremen," will be commissioned in the Navy in April 1982. The general contractor responsible for the construction of the six Class 122 frigates is the firm of Bremer Vulkan, shipbuilding and machine factory in Bremen-Vegesack. In contrast to the previously customary procedure, the ship at this point in time has already gone through months of tests at the pier and at sea which give the customer and the Navy the guarantee that the ship is in every respect ready to operate and can be operated reliably both in terms of the engineering parts and regarding the weapons and command system. This guarantee for operational readiness and reliable operation was made easier for the shipyard concerning the weapons and command system because of the obligation, accepted by it in the building contract, to plan for an ITA (integration testing installation), to set it up in the yard compound, and to operate it. In this way it was possible to check the perfect cooperation of all parts of the weapons, weapons control, and radar systems even before installation on board. The contractually stipulated performances by the general contractor furthermore included among other things also the establishment of support acceptance readiness, something which we will report on in greater detail later on.

The original building contract dated 21 November 1977 moreover gave the shipyard the task of subdividing the contract services by 28 February 1978 in keeping with the requests from the client, in such a manner that the standard shipyard production hours for the second to sixth frigates would be shifted to varying degrees (90 percent for two ships and 70 percent for the other three ships) to the four other big German shipyards. In a new version of the

contract, dated 29 January 1979, the client—on request of the Lower House—availed itself of that right so that—along with the unrestricted overall responsibility of the general contractor for the identity and functional efficiency of all six frigates--the following must now be delivered:

Two ships "with high interface" by the Blohm + Voss Shipyard, Hamburg, and

One ship, each, "with low interface" by the following shipyards: AG [Incorporated] Weser, Bremen, Thyssen Nordseewerke, Emden, and Howaldtswerke Deutsche Werft AG, Kiel,

To be sent to the general contractor for completion and especially for the installation of the weapons and command systems by the responsible subcontractor, that is, AEG [General Electric Company]-Telefunken, Ulm, with operational testing included.

The volume of additional work caused by these requirements and the resultant additional costs--partly to be explained by different work processes and production methods used by the secondary shipyards, which in many cases also necessitated additional administrative preparatory work--obviously were partly underestimated at the time. Moreover, in working out the details for the construction documentation, there were very many desires and requirements on the part of the customer which deviated from the figures calculated by the contractor. The problem complex which emerged from the fact that the project's details were still being worked out and that the project at the same time was also covered by a contract for the secondary shipyards--that problem complex then fully emerged in the course of program implementation as such.

Planning

After this brief description of the preliminary situation, which directly led to the construction and commissioning of the Frigate "Bremen," we will now describe the activities engaged in by government authorities and industry until the construction order was actually issued.

M. Salitter reported in detail in No 10, 1979, of this magazine on the tasks which the Frigate 122 will have to carry out as part of the semistrategic concept of the Navy in peacetime, during times of crisis, and in case of war. It says there among other things: "In case of war, the Class 122 frigates will form the backbone of the German North Sea components which, together with the naval forces of the Allies, will have to carry out the following missions:

"Protection of reinforcements and naval transports in the North Sea against attack by surface and underwater forces as well as from the air;

"Defense against surface attack and landing formations in the North Sea with the objective of neutralizing them before they can attack the reinforcements, naval transports, and coastline;

"Interruption of naval communications of the Warsaw Pact between the Baltic and the Atlantic if the enemy managed to win control over the Baltic Sea approaches."

The passage mentioned furthermore lists the tasks connected with inshore security, naval region screening, especially against Warsaw Pact submarines, and in connection with action against surface and landing formations of the Warsaw Pact countries; these missions must be accomplished in the North Sea by the frigates in conjunction with destroyers as well as ASW and long-range naval reconnaissance aircraft (MPA [presumably Maritime Patrol Aircraft])). -

Since the start of the 1970's, the Navy Operations Staff realized that, at the very latest by the start of the 1980's, both the World War II destroyers of the "Fletcher" class taken over from the U.S. Navy and the frigates of the "Koeln" class would no longer be able to perform that mission and that a modernization could not be justified in technical and economic terms. The "Hamburg" class destroyers, which were equipped with the MM-38-EXOCET missile systems, will likewise be nearing the end of their useful life at the very latest during the early 1990's.

In keeping with the provisions of the 28 January 1971 General Edict for the Reorganization of the Armament Sector, the Federal Defense Ministry therefore established a study team which, during a so-called advanced study phase, was to figure out what kind of naval warfare systems would have to be used to accomplish the missions described above. The team in great detail tried to determine whether it might be possible to accomplish these missions with combat equipment that would be less expensive in terms of money and personnel. In the final analysis however it arrived at the result that multipurpose frigates with on-board helicopters constitute the best solution both from the tactical and semistrategic viewpoint and from the economic viewpoint.

The roundabout way to the issue of the construction contract is illustrated by the table below. The data given show that--in contrast to the guidelines contained in the General Edict--the draft was already available to the Lower House committees even before the final results had been submitted. This kind of haste was indispensable because otherwise the peak time for the expenditure of considerable budget funds would have coincided with the peak expenditures for the MRCA Program and the commissioning of the first ship would have been postponed until at least the middle of 1983. On the other hand, the early involvement of the Lower House produced a difficulty in that an upper limit was set for the equipment system price as of the price level at the end of 1974 already at that time.

Table 1 however also shows that cooperation was sought with the NATO partners at an early stage. Due to the different mission, the varying operational areas, and the deviating deadline plans, cooperation on the NATO level however very soon was concentrated on the FRG and the Netherlands as partners. The Dutch Navy's standard frigate--which later on was named the "Kortenaer" class after the class leader--of course at the start of intensified cooperation was already in a stage during which the design was almost completed so that the German partner could only accept the Dutch blueprints, unless compelling reasons necessitated changes.

Table 1. Time Frame of Activities Prior to Start of Phase Headstart and until the Issue of the Construction Contract

Responsible agency	Activity	Deadline
BMVg, Fuenf	Start of phase headstart, establishment of study team	28 January 1971
NATO NNAG	NATO-Project-Group PG/11 of NATO Naval Armaments Group	June 1973
BMVg, Minister	Approval of TAF (Tactical Requirement) for multipurpose frigate with on-board helicopter	2 January 1974
NATO	Circular of Requirements NATO Frigate Concept	21 May 1974
NATO	Dutch Navy delivers "Scheepsbesteecken" for its standard frigate to the BMVg	November 1974
NATO	MoU [memorandum of understanding] between FRG and the Netherlands on NATO frigate program	April 1975
BMVg	Passage of MTZ (military-technical objective)	25 May 1975
Lower House	Presentation of navy concepts in defense committee	October 1975
BWB, Koblenz	Inquiry concerning offer for definition phase to five big shipyards	June 1975
Lower House	Approval by defense and budget committee	28 January/ 10 March 1976
BWB	Order for definition sent to two shipyard groups	19 May 1976
BMVg/BWB	Order of so-called long-term project components	1976/1977
Shipyards	Submission of definition results and offer for construction	21 March 1977

[Continued on next page]

[Table 1 continued from preceding page]

Responsible agency	Activity	Deadline
BMVg	Approval of MTWF (military-technical-economic requirement) to complete the definition phase	18 October 1977
BWB/GU-BV	Construction contract covering six frigates	21 November 1977
BWB/GU-BV	New version of construction contract with subdivision of engineering work to the shipyards involved in definition	29 January 1979
NATO	Memorandum of understanding between FRG and the Netherlands for construction and utilization phase	1978

Key: BMVg--Federal Defense Ministry; FueM--Navy command; BWB--Federal Military Equipment and Procurement Bureau; GU -- general contractor; BV -- Bremer Vulkan.

Definition Phase

After an analysis of the offers for the definition phase drafted in October 1975 by the five major German shipyards, that is, A. G. Weser, Bremen; Blohm + Voss, Hamburg; Bremer Vulkan, Bremen-Vegesack; Howaldtswerke/Deutsche Werft AG, Hamburg and Kiel; and Thyssen Nordseewerke, Emden, the BWB in May 1976 issued the order to two groups of shipyards, that is:

BV (Bremer Vulkan) in cooperation with Howaldtswerke/Deutsche Werft, Kiel and Blohm + Voss, Hamburg, in cooperation with AG Weser and Thyssen-Nordseewerke.

When it came to the weapons and command systems sector as well as work on the logistic portion, in the definition, BV was able to get support from the firm of AEG-Telefunken which had the necessary experience deriving from general contractorship for the construction of Class 143 PT-Boats.

Starting with the plan to commission the first frigate by the middle of 1981 as replacement for a ship that would have to be taken out of the inventory at the very latest at that time, only 10 months were made available for definition. To be sure, the engineering concept--that is, the extensive adoption of the design documentation for the Dutch standard frigate--did exist but the decision as to the main engine and the on-board helicopter had not been made and the long-term subprojects already ordered by the BWB had to be fitted into the definition. Another difficulty sprang from the fact that the development of some of the planned components in the weapons and command

system had not yet been completed and that their operational reliability had not yet been tested. These difficulties were to be countered by means of the fact that a number of FAG (special study groups) was established after the entry into force of the definition contract; they included not only representatives from the BWB and the Navy Bureau but also from the shipyard groups. Although this intensive cooperation was valuable in preparing the fundamental decisions, it on the other hand meant that these institutions would be continued also after the completion of the cost calculations by the shipyards and the conclusion of the construction contract at binding top prices. These FAG undeniably did influence the program positively on the one hand but some inhibiting factors can also be recognized now.

On the other hand, in-depth review by BV confirmed that many structural components and parts could not be taken over directly from the Dutch model. (In Table 2, identical components in both frigate designs are marked with *; in many cases however deviations were either meaningful, necessary, or practical.) Looking at the antenna arrangement, it was found that, instead of the two masts as antenna carriers, as on the S-frigate, only one mast was to be planned; this, among other things, makes it more difficult for the enemy to determine the ship's position. Concerning the helicopter selection, the Lower House committees--presumably following a suggestion from the Defense Ministry--established the requirement that one should look for alternatives which would be better able to perform the three missions:

Sea space surveillance above and below water;

Control of missile employment over the horizon range, and

Engaging submarines beyond their torpedo range.

Unfortunately, at that time there was as yet no tested model that corresponded to these ideas. It was thus decided to pick the Sea Lynx by Westland, a type which is also used in various other European navies.

Subsequent conversion however is possible without too much of an effort because, for example, the helicopter hangar is designed for the biggest dimensions to be expected. To be sure, the delay in the helicopter selection resulted in the first major additional cost requirements on the part of the contractor along with a considerable effect on the deadline. Various design documents also had to be checked out by BV. The specification of the technical concept and an investigation of the structural members of the hull resulted in a more favorable steel structure more in line with the state of the sea conditions prevailing in the main operational area. The DSK (permanent protected air and air conditioning system), developed in Germany, was included in the blueprints for the heating and ventilation of the ship, observing the requirements of protection against NBC weapons. The electric power generators for power supply were to be powered, in contrast to the model, by MWM [expansion unknown] diesel motors because they have been introduced in the West German Navy and are being properly maintained there. For the same reason, adjustable propellers by the firm of Escher-Wyss and a rudder system based on the revolving-type system by the firm of AEG-Telefunken were selected.

More detailed consideration was required in the selection of the power plant. Although engineers initially shied away from deviating from the S-frigates, it was decided in the end to adopt main and cruising engines instead of the Rolls-Royce gas turbines for the modern General Electric LM 2500 introduced in the U.S. Navy and the 20V956 TB 92 diesel motors by MTU [Motor and Turbine Union]. The decisive factor in this decision above all was the noticeably lower fuel consumption of both systems.

Investigations and measures regarding noise development and noise control required further attention. In the restricted and relatively very flat waters of the North Sea, noise generators constitute a particularly critical radar location possibility, especially for acoustically controlled weapons. To determine the quality of the ship as a whole, all noise generators were analyzed in a sound-engineering planning report and the required noise control measures were spelled out, such as elastic or double-elastic positioning (sound-proofing capsules and room sound insulation by means of accessory cups or shells to be attached to ceilings and walls). The result of all of this work turned out to be exceedingly satisfactory during the actual operational tests.

Table 2 summarizes the main dimensions and the most important components in the final version.

Weapons and Command System

Although many of the weapons and instruments in the weapons and command system, as we can see from Table 2, were taken over from the predecessor S-frigate, it was nevertheless necessary to review the entire overall system because of:

Some altered and partly newly developed system components,

Adaptation to the integrated command system of the "Luetjens" destroyers, and

A combat operation image often deviating from that of operations in the Atlantic.

This placed a burden on the GU [general contractor] and the weapons and command system subcontractor from the start of the definition to the commissioning of the first frigate whose scope was difficult to predict and which necessitated uninterrupted cooperation not only with the BWB, as the client, but also with the Navy. It was especially the basic concept of the OPZ [expansion unknown] installation which in this context was extensively redefined by the Navy according to semistrategic and tactical viewpoints. During the subsequent design phase, it was then necessary to take into consideration a large number of viewpoints, some of which we might mention here merely by way of example:

Observation of cable connection areas and straight as well as curved cable sections on instruments, cable conduits leading to the instruments with elastically positioned bottoms and behind or on top of the accessory cups;

Design of shock-resistant or shock-absorbing foundations and bearings, considering maximum possible elasticity travel distances;

Consideration of ergonomy requirements, such as height arrangement, functional ranges, good lighting, avoidance of illumination and blinding effects, among others;

Space-related heat supply for the design of space ventilation or water cooling.

Special complications sprang, for example, from subsequent changes in instrument dimensions and the movement of system components to other weapons and command systems rooms or the almost complete shift of equipment in the radio rooms which became necessary only during construction. Because ceilings and walls are lined with accessory linings also in the weapons and command system rooms, special care was needed in the coordination of the cable conduits, the MES [expansion unknown] loops, the pipelines, and the air ducts to be installed here. For the installation of major instruments and to preserve subsequent exchange possibilities, it was necessary to draft an assembly and installation layout plan which again resulted in additional requirements for the instrument makers; for example, certain instrument parts could not exceed a specific permissible size.

From among the large number of problems to be solved during design and construction, we might mention only a few here by way of example:

Looking at the previously mentioned central antenna mast, the problem was to avoid radar masking; this could be reduced to a minimum only through suitable design. Because the mast stands on a deckhouse and on the smokestack, it was necessary to consider the relative motions of these bodies with respect to each other in terms of design;

In the area of the WM-25 [expansion unknown] foundation, design work was influenced by the changes in the parallel development of the EW system; continuing progress in the work therefore was more frequently interrupted in practice;

To meet the accuracy requirements for the functional change between sensors and weapons, it was necessary to compute the interconnections of the foundation levels among each other during various states of the sea and meeting conditions between the ship and the waves. A finite-element computation was used for this purpose; as far as we know, it was performed in this form the first time.

In concluding this chapter, we might make a few remarks on the instruments which were selected during the definition phase and which were listed in Table 2:

For the bow sonar, we picked the model DSQS 21 BZ by Krupp Atlas-Elektronik because this instrument is especially designed for good effectiveness also in flat [shallow] water. The casing received an acoustic window developed by BF Goodrich together with BV.

The SATIR combat information system corresponds to the instruments now placed in the "Luetjens" destroyers.

The ASMD-RAM very close-in AA defense system by General Dynamics is still in the developmental stage.

The DA 08 all-around search and surveillance radar is potentially identical to the LW 08 instrument installed on the S-frigates.

The development of so-called software for the weapons and command system and the computer-controlled systems for ship equipment represented a special and unaccustomed task up to the commissioning of the first ship in this series. For the construction of the F 122 frigate, the software was divided into the following sectors:

GU software, that is to say, the part to be delivered by the general contractor and to be materialized through delivery contracts or project-related development contracts;

Equipment software, that is to say, that part which, together with equipment development, was to be developed through open development contracts and which was to be integrated into the overall software;

Accessory software to be supplied by the client, especially the FueWEP (Command and Weapons Employment Program) which was provided by the Navy itself.

Construction Phase

The offers for the construction and delivery of the six frigates, submitted along with the definition results, were calculated rather closely, something which is quite understandable in view of the economic situation of German shipyards, and of course were based on the assumption that all six ships would be built by one contractor and would be delivered one after the other. In a series of six ships, it would have been possible to exploit a by no means insignificant learning effect and this would have contributed to a cost reduction. Earlier we described what the actual decision turned out to be. The decisive difficulty in the solution worked out after lengthy negotiations was the Navy's justified requirement that the six ships should be identical, something which the general contractor had to guarantee. This was made more difficult by virtue of the fact that all of the secondary shipyards wanted to start construction as soon as possible because of their employment situation. To the extent that this involved parts to be supplied by way of spare parts shipments, the general contractor had to guarantee that the Navy would not be forced to build up separate supply chains.

The previously mentioned "high" and "low" interface points differ as follows:

Ships with "high" interface were to be "ready to sail" and the general contractor was to install the weapons and command system and to provide the functional certificate;

Ships with "low" interface are floating platforms with equipment and installations fore and aft where, in addition to the weapons and command system, the engine systems as well as parts of the ship operating systems and electrical systems are to be attached.

Because the construction methods for the hull differ at differing shipyards, we will briefly describe here only the method used by the BV launch yard. In the shops, sections of 20-40 t were welded together and in the so-called large-section shops they were assembled into 11 major structural parts or modules with a weight of up to about 250 t in prefabricated construction and transportation frames, with the interface points being marked in advance. Using a large-section transporter, the individual transport frames--with the modules fitted into them, in which the pipelines, the cable conduits, and other items have already been laid--were first of all transported to the preservation shop for complete surface treatment and preliminary preservation and from there under a gantry crane on the big building dock and they were deposited on the dock with its help and then lined up with each other. After the modules had been welded together and had thus been assembled into a compact ship's hull, the building dock was flooded and the ship was moved to the newly erected, covered outfitting dock where work was done in the interior on the engines, the ship operating and electrical systems, as well as most of the weapons and command systems. This is also where the official floating took place instead of a launching. In this way we were able to make sure that the

Frigate "Bremen" was exposed to the wind and the weather only for 8 weeks throughout the entire building time.

The shipyard tests which began in May 1981 and the GFN (big functional test) --the secondary structures are subjected only to an abbreviated test, the so-called KFN (small functional test)--with short interruptions extended until 21 January 1982. During the GFN, the ship's performance at sea was checked out partly during the heaviest state of the sea and with winds of hurricane force (more than 120 km/hr); all installations and systems in all main structural segments were tested for the most part at sea and were presented to the client and the Navy ready to operate safely. Cooperation between the ship and the shipboard helicopter was also tested successfully.

There was one agreement which proved to be particularly practical; it was concluded between the contracting parties and provided for the general contractor making military navigation and operating personnel available under the direction of a military ship commander (the subsequent captain), but under the shipyard's overall responsibility, after acceptance of the ship operating systems for about three-quarters of the time required for the functional test.

Table 3 shows the time sequence during the construction phase, such as it had been planned originally and such as it actually took place. The other ships will follow at intervals of half a year in each case so that the sixth frigate will have to be commissioned in October 1984.

Table 3. Planned and Actual Deadlines for the Frigate "Bremen"

Event	Original deadline	Actual deadline
Contract conclusion	Autumn 1977	21 November 1977
Helicopter decision	Autumn 1977	June 1978
Start of production	February 1978	3 April 1978
Start of module production	June 1978	24 October 1978
So-called keel-laying in big building dock	--	9 July 1979
Initial floating and movement into dock	--	
In shop dock D	--	2 September 1979
Christening "Bremen" (in shop dock D)	--	27 September 1979
Final floating and start of testing (in shop dock D)	March 1980	18 October 1980
Departure from shop dock D	--	17 January 1981
First shipyard trial run	September 1980	2/3 May 1981
Start of functional test at sea for weapons and command systems, 1st part	December 1980	10 August 1981

[continued on following page]

[Table 3 continued from preceding page]

Event	Original deadline	Actual deadline
Start functional test with navy navigation crew	--	24 August 1981
Completion of functional test and start of remaining work	April 1981	21 January 1982
Delivery to customer	30 June 1981	April 1982

Logistics

The effectiveness of a weapons system depends last but not least on optimum material support, that is to say, well-functioning technical and logistic back-up support during the utilization phase. To attain this objective, which is so important for the Navy, as reliably as possible, the general contractor--as part of an essential expansion of the previously customary procedure--was directed already in the building contract parallel to design and construction of the first frigate to perform the necessary work for the establishment of logistic supply readiness, specifically, for the sectors of training, documentation, spare parts, maintenance, and repair. The basis for this work consisted of the frigate equipment preservation concept specified by the customer or the Navy, the frigate training concept, and various logist requirements. Several fundamental regulations both from the armament sector and from the Navy had to be complied with.

The Navy's equipment preservation concept distinguishes the following categories into which equipment preservation stages 1 to 5 are subdivided:

MES I [equipment preservation stage] for material preservation in the unit sector;

MES II, same in support sector and

MES III, same as before, in the depot sector.

Without going into any further details regarding the line between the various categories, we will briefly touch here only on the work that was to be done by the general contractor and his subcontractors to guarantee the material preservation concept.

Training

On the basis of the Navy's training concept, the customer trained naval instructors and personnel from the military equipment sector during about 200 training courses of varying duration with the objective of guaranteeing operational readiness and material preservation on all levels during the utilization phase of the Frigate 122. The training documentation, including textbooks, were developed by the general contractor and various subcontractors. A total of six training facilities was planned and set up for in-house navy

over training, specifically, at the training and testing center under the Joint Command System Command in five Navy schools.

Technical-Logistics Documentation

The documents to be delivered by the general contractor consist of a large number of drawings, lists, handbooks, service regulations, etc., which are needed to assure the ship's operational readiness. These include the following:

Ship equipment lists which show the frigate's equipment with systems and instruments of all kinds as well as the pertinent tools, measurement instruments, and testing equipment;

SW (technical service regulations) which are needed for operation, surveillance, and care as well as maintenance of systems and instruments;

MP (planned material preservation) documents summarizing the care and maintenance work done;

operational control plans which represent the functional interrelationship of ship installations with the pertinent pipelines, cables, etc., in the form of diagrams;

Textbooks prepared on the basis of operational control plans in a reduced-size format, partly in color;

Overall descriptions which, in abbreviated form, contain all important information items concerning the ship and its installations;

Test records and certificates as well as instrument-related or ship-related documentation according to Construction Regulation BV [Construction Regulation] 0/4.

Spare Parts, Prerequisites for Care and Maintenance

On the basis of the Navy's material preservation concept, the general contractor must procure EI (spare parts), AI (exchange parts), as well as WTP (tools, measurement and testing instruments) and must keep them on board or supply them to the depot, specifically as follows:

1) initial supply issue on shipboard for 60 days, equipment preservation stages 1, 2, and partly 3;

2) depot supply for 1-1/2 year, material preservation stages 1 to 4 for newly introduced instruments and for adjustments for instruments ready to be supplied;

3) base supply for 90 days, material preservation stages 1 to 4;

for school supplies for 3 years.

Furthermore, the general contractor selected and delivered the necessary tools, as well as measurement and testing instruments. For this purpose, comprehensive optimization procedures as well as functional chain studies were performed so that the Navy will be perfectly supplied for the ship's utilization phase.

Deadline and Cost

The reasons for the by no means inconsiderable deadline shifts indicated in Table 3 were the subject of protracted talks between the customer and the contractor.

Today--now that the negotiations on the deadline question have been terminated and now that agreement has been achieved also regarding the cost overrun--we will not go back to the arguments of past months and even years. Both sides had good arguments in the discussion; during a concluding critique, it might perhaps after all be a good idea once again to ask whether factors, which are outside this undertaking--such as, for example, the current federal budget situation--might possibly have influenced the project's development.

This much at any rate is certain: good cooperation among all involved on the side of the client and on the side of the contractor, the government agencies, and industry itself made it possible to make the first unit of the weapons system F 122, available for acceptance, so to speak, in turnkey conditions, fully tested, ready to operate reliably, 5 years and 1 month after the submission of the offer or, in other words, 4 years and 5 months after the conclusion of the contract or 4 years after the start of construction; this is the way in which the "Bremen" was thus handed over to the BWB. The commissioning by the Navy scheduled for April is an important milestone for the new equipment of the country's naval forces, for the protection of our supply lines, and for other missions in the NATO alliance.

The Frigate "Bremen" however and her crew--who will fill this successful project with life--we wish good sailing at all times and a happy return always.

5058

CSO: 3103/389

SOLDIERS PROTEST PAY CUTS, THREATEN SLOWDOWN ACTION

Frankfurt DER SPIEGEL in German 3 May 82 pp 25-26

[Unattributed article: "Dunces of the Nation"]

[Text] For the first time in the history of the Bundeswehr there is talk of rebellion among the troops. The conscripts are threatening to go on a "rulebook slowdown."

The permanent under secretary in the defense ministry saw it as a threat to the most holy of soldierly virtues. The Bundeswehr Association's leaflet, entitled "No More Working Hour Tricks," is such "as to induce soldiers to resort to disloyalty and disobedience," said Klaus Dieter Leister in a 14 April letter addressed to the chairman of the association.

Even before retired Colonel Heinz Volland, to whom the letter was addressed, had received it commanding officers were given telex instructions to "remove the leaflet from bulletin boards in the barracks and other facilities." The association's call on soldiers to demonstrate against pay cuts was illegal, it was said.

The commanding officers followed orders, albeit reluctantly. The conservative Volland group which has professional soldiers and volunteers as members in the main found it was being suspected of sedition. The Bundeswehr lobby angrily went to court—and won its case.

The justices in Cologne ruled on 21 April that the leaflet "complied with the usual language contained in printed matter produced by professional interest groups." The written call for participation in a protest demonstration in Koblenz, the court stated further, was neither in violation of the duty to obedience, nor of "the ban against political activity while on duty and/or inside military billets."

Defense ministry legal experts promptly appealed the ruling on behalf of their minister.

But the Muenster appeals court was in no hurry. Not until last Monday, 24 April, prior to the scheduled demonstration, did it rule in favor of the minister while telling the Bundeswehr Association it was free to replace the original leaflet by one more objective in tone.

...when, the ministry bureaucracy reacted with lightning speed. That same day, all military installations were informed of the Huenster ruling by which all were told to take the posters down.

This action did not produce the desired effect. Instead of the 2,000 demonstrators the organizers had expected, 2,500 came to the Rhine-Moselle-Hall. The political and legal infighting had served to heat up the atmosphere. The demonstrators—who were not in uniform but had come wearing jeans, shirts and leather jackets—broke out in catcalls in view of the fact that Defense Minister Apel and Finance Minister Matthoefer had chosen not to attend. "They did not accept our invitation," Volland remarked, "which means they let a golden opportunity go by."

It was not solicitous Colonel Volland who was the star of the show who made statements such as: "The association solidly supports the concept of military service." It was Corporal Emanuel Burkhardt, one of the draftee members of the association, who is doing service with the third company of the 11th maintenance battalion.

On the rise of the association bigwigs, the professional soldiers and the volunteers publicly came out on the side of the draftees for the first time. They had been treated as also-rans by the group until then.

For them, the most recent round of cuts decided upon by the defense ministry hit the draftees hardest. Shortly before Christmas, they were informed in an official document containing no further explanation that the DM 50 offset payment for savings plans already concluded would be canceled as of 1 January 1971. A few days later, they were informed that the government contribution to the retirement fund would be cut by 25 percent.

On 17 January, the ministry magazine BUNDESWEHR AKTUELL—which the draftees consider as the "stick-it-out sheet"—carried a piece which attempted to deflect criticism of the decisions. The headline said: "It Is an Acceptable Sacrifice."

It is clear that, commanding officers and the commissioner of the armed forces were flooded with complaints. As for Burkhardt, he said in Koblenz: "We will not stand for such comments by people whose ministry bonus check comes to more than our basic pay."

Major General Gerhard Linkler, commanding officer of the 4th armored infantry division, complained to his commanding officer that the draftees viewed the cancellation of the savings premium as an "ice-cold demonstration of government indifference." And Commissioner Karl Wilhelm Berkhan warned his friend, the minister, that the troops were "angry and embittered."

There was no reaction from either Apel or the Bundestag. Without another word, Army Inspector General Reinhard Glanz put out a further order which hit the draftees and professional soldiers hard. In the future, Glanz' order stated, work time is "to be computed in such a way" that the number of working hours per week "is reduced by an average of 4 hours."

question of whether this will involve a reduction of duties for the troops was interpreted in different ways by the defense ministry. State Secretary Wolfgang Blum said it would on 2 March and 2 days later, Permanent Under Secretary, Wilfried Jenner said it would not.

In financial terms, many soldiers who earn little enough as it is (DM 270 per month for corporals; DM 225 for privates) will lose overtime lump-sum payments of DM 90 for professional soldiers and volunteers and DM 54 for conscripts as a result of the Glanz order, since these payments are only made for more than 56 hours of work in a given week.

"I feel as angry and embittered," Burthardt said in Koblenz, "is putting it mildly. The draftees are not the dunces of the nation who can be treated in any way you please. What is here, we are by no stretch of the imagination the playthings of the nation."

Even these problems of the young soldiers, the original case the Bundeswehr Association meant to plead in Koblenz took a back seat. The professional soldiers and volunteers are asking for firm work schedules such as apply in the armed forces of other countries. Until that is settled, the association says, the overtime payments should continue to be made.

After the rally, Burthardt asked SPD Bundestag deputy Peter Wuerz, the only member of parliament in attendance, how it was that the Bundestag approved more than DM 700 million for the Tornado multi-purpose bomber without batting an eyelash and chose not even to discuss the cuts in the draftees' allowances. Another question he asked was why the "poorest of the poor" were the first to feel it under the hand of an SPD minister.

Now, under pressure of his worried party friends and nimble FDP Bundestag deputy Jürgen Moellenmann, will be getting together with representatives of the Bundeswehr Association this week to look for a way out. It may be too late for that. After the Koblenz meeting, there was some discussion among draftees about whether they might not do a dry-run revolt by going on a nationwide slowdown.

"We really go by the book and follow all the orders, instructions, check all the regulations," Burthardt said, "it will not be long before every tank, airplane and ship will be standing still."

101/445

DETAILS OF ARMAMENTS AGREEMENT WITH FRANCE PROVIDED

Paris LE MONDE in French 25-26 Apr 82 p 4

[Article by Marc Marceau]

[Text] Athens--During a brief visit on Friday 23 April, Charles Hernu, French minister of defense, signed a framework agreement for cooperation between France and Greece in the field of armaments with Prime Minister Andreas Papandreou, also minister of national defense. This agreement, which has been carefully prepared since last November and was discussed mainly with Giorgos Petsos, deputy minister of national defense, is notably aimed at broadening the Greek aeronautical industry, at the use of French technology for the manufacture of modern weapons and at purchases of various military equipment from France.

Trade negotiations have thus already started for the eventual purchase of Mirage-2000 combat planes, which are in competition with the U.S. F-16's and F-18's. According to the Greek minister of national defense, the choice should be made next October. Moreover, Greece is envisioning the purchase of an air defense system using low-altitude supersonic missiles (Roland or Crotale), to the detriment of a project--conceived two years ago--to equip itself with U.S.-made manufacture materials.

The Franco-hellenic agreement also stipulates the conditions of a maintenance policy for the AMX-30 tanks acquired by Greece since 1974.

Because of its geopolitical position, Greece has to keep up the kind of defense which taxes heavily its finances. Thus, military expenditures which amounted, in 1974, to 24 billion drachmas, have risen to 123 billion in 1982. The problem is, then, to endow the armed forces with modern equipment adapted to their needs while simultaneously avoiding a hemorrhage of hard currency for the purchase of the needed equipment. The solution is to be partly found in the development of the war industry and partly in the reduction of outlays thanks to grouped purchases rationally planned, eliminating the usual costly intermediaries. The agreement signed between Greece and France fulfills these prerequisites.

In 1974, the Greek war industry consisted of an explosives and munitions factory. Today, it includes industrial units producing light weapons,

munitions which can already be exported, repairs of armored vehicles and the manufacture of certain spare parts. There are, moreover, a plant for aeronautical maintenance and shipyards building, under foreign licence, various kinds of ships. France will thus contribute to the development of the Greek embryonic armaments industry.

In another development, Prime Minister Papandreou had outlined the 10-year national defense plan started in 1978 to a gathering of 700 officers meeting in Larissa last March, a plan that his government has adapted as a factor of its general policies. Papandreou disclosed that as early as 1983, the Greek armed forces will be endowed with modern equipment partly produced by local industry. As for imports in this field, import conditions will be more favorable than in the past. Planned transactions notably include combat planes, helicopters, tanks and armored vehicles for troop transport, frigates and submarines, modern infantry weapons--among which are ground-to-ground missiles--as well as important equipment in the field of air defense, telecommunications and radar.

The agreement signed by Charles Hernu in Athens does not presuppose a privileged position for France in its negotiations pertaining to some of these transactions, while others are being fiercely contested by the United States, Great Britain, the FRG, Italy and the Netherlands.

CSO: 4619/92

BRIEFS

SALE OF 100 TORNADO PLANES--The Greek Government is examining an official FRG offer for the sale to Greece of 100 Tornado military aircraft. This offer was finalized in Munich today during a meeting of Greek Deputy Defense Minister Georgios Petsos with the chairman of the Administrative Council of the firm which builds these planes. According to press reports, the Greek side has set as a basic condition, for the holding of any discussion, the acceptance by the German firm of the joint production of a number of basic parts of the aircraft in Greece. After the talks the members of the Greek delegation expressed the (view) that if an agreement is finally concluded this would be particularly beneficial to Greece. [Text] [NC041912 Athens Domestic Service in Greek 1830 GMT 4 May 82]

CSO: 4621/314

DEFENSE MINISTER SJAASTAD WANTS MORE MATERIEL STOCKPILED

PM050911 Oslo AFTENPOSTEN in Norwegian 30 Apr 82 p 3

[Interview with Norwegian Defense Minister Anders C. Sjaastad by Thorleif Andreassen: "Nuclear Threat Our Guarantee Against Attack"; date and place not specified]

[Text] "The proposal to alter NATO's defense plans in the North would mean reduced deterrence against an attack on Norway." Defense Minister Anders C. Sjaastad said this in an interview with AFTENPOSTEN. He pointed out that if Norway renounces the possibility of defending itself with nuclear arms against attack, it would mean opting out of the defense strategy covering the rest of the defense alliance. "It would be a signal to an attacker that Norwegian territory has a lower priority and is less important to NATO," the defense minister warned, pointing out: "An opponent must never be given any guarantee that he will not trigger an all-out nuclear war if he attacks Norway."

Current NATO strategy contains no concrete plans for the use of nuclear arms from Norwegian territory to beat off an attack. However, Sjaastad considers that there is good reason to point out that a nation which chooses to attack NATO territory will at any time meet a defense in which the alliance will use whatever means are considered appropriate.

The defense minister advocated increased conventional rearmament within NATO because the relative strengths of NATO and the Warsaw Pact have changed radically in the last few years. He pointed out that as long as the United States and NATO had superiority in strategic nuclear arms, it was possible to tolerate living with Warsaw Pact conventional superiority. A conventional attack on NATO which could not be stopped using similar conventional forces could, however, be deterred by threats of the use of nuclear arms. Recently the Soviet Union has achieved parity in strategic nuclear arms with the United States, great superiority in medium-range missiles and also increased conventional superiority.

"Therefore," the defense minister stressed, "it is now very important to achieve reasonable balance with the Soviet Union and the Warsaw Pact in each individual area of armaments."

"If we succeed through the Geneva negotiations in removing the Soviet medium-range missiles and refrain from deploying NATO's new missiles, it will be even more vital for us to ensure better conventional balance between the two blocs."

[Question] And how will this happen?

[Answer] Ideally by achieving reductions in the Warsaw Pact's forces down to the level of NATO's forces through the MBFR talks in Vienna.

[Question] And if this is not possible?

[Answer] Then NATO must increase its conventional forces, to avoid leaving itself undefended.

[Question] Do you think that in today's situation it would be right if the Norwegian defense budget were increased by less than 4 percent per year?

[Answer] In the light of the major investments in materiel which are about to take place, it is important that we adhere to the 4-percent real growth target in the defense budget. Despite falling oil income, the government will exert itself to achieve this. At any rate there is no doubt that we will fulfill the NATO target for real defense budget growth.

On 13 January last year the Storting approved the Norwegian-U.S. framework agreement on the contingency stockpiling of heavy equipment for a U.S. Marine brigade in Trondelag, because our national defenses alone are not strong enough to resist or repel an attack on Norwegian territory. If the worst comes to the worst, we will be dependent on allied help. Contingency stockpiling is necessary because the transport of allied reinforcements by sea has become increasingly difficult and dangerous. But as yet the Storting's approval has not been translated into action. [Answer ends]

Immediately after the government changeover last fall Defense Minister Sjaastad contacted his U.S. counterpart Caspar Weinberger and told him: We want to continue contingency stockpiling. We can accept equipment even though the permanent depots for it have not yet been completed.

The approach was appreciated by the Americans. The first delivery, of ammunition, will probably arrive in Trondelag next September. In a couple of years a great deal of equipment will be in place.

Defense circles have clearly indicated their view that the U.S. military materiel should be stockpiled in northern Norway. However, the government does not want to take the initiative to change the geographical location of the stockpiles, because of the broad political party support for Trondelag and in order not to delay the shipment of the equipment to Norway.

The following U.S. materiel will be stockpiled in central Norway: 24 155mm howitzers with carriers; bridge-building equipment; around 230 trucks and 100 trailers; ammunition, fuel, and supplies. Is the defense minister satisfied with this limited selection?

[Answer] It is desirable that the number of vehicles being stockpiled should be significantly increased. The same is true of other equipment which it would be difficult to transport here in a crisis.

[Question] What equipment?

[Answer] Armored personnel carriers and tanks. But there is no suggestion of our changing the limitations which are always contained in our base and nuclear policies. [Answer ends]

For years people have been pointing out the need for missiles to defend our air bases, on which our allies would also be dependent in a crisis. For years the politicians have been discussing which missile system would be best. But there is still not a single short-range defensive missile at a Norwegian air base.

[Question] When will we have them?

[Answer] Since the Willoch government came into office it has been working to secure the various offers and tenders for various missile systems. We want the most modern and effective system. Our choice will be made in the coming months. The first missiles will be in place in 18-24 months.

[Question] The enormous Soviet buildup in the northern regions in the last 10-15 years has led many people to ask whether allied forces and their equipment really would be able to get to Norway?

[Answer] I have no doubts that we will receive help in time; however, only if the Norwegian defense forces are in a position to put up an effective defense. It is up to us what money we give to the defense forces. And it depends on us whether we are able to and willing to ask for reinforcements in time.

CSO: 3108/98

OSLO PAPER INTERVIEWS NEW FORCES CHIEF SVEN AAGE HAUGE

FM061131 Oslo Aftenposten in Norwegian 3 May 82 p 10

[Interview with new Norwegian Armed Forces Chief Gen Sven Aage Hauge by Knut Falckenberg: "General Hauge Has Witnessed Six Nuclear Explosions"]

[Text] As armed forces chief the newly appointed Gen Sven Aage Hauge will often be aware of a tight budget, even with around 10 billion kroner in annual funds. Reductions could prove to be necessary in the armed forces. Hauge will be the boss of a "company" with 50,000 employees, plus a much greater number who can be mobilized. Nevertheless he takes the view that Norway must also seek security under NATO's nuclear umbrella.

Up to now Hauge has been one of the country's more anonymous generals--measured in the number of newspaper headlines he has been the source of. But if you make a more detailed investigation you will soon see Hauge's hand and mind in all the defense legislation of recent years. Most recently it was the agreement on contingency stockpiling, and this summer it will be the agreement on antiaircraft missiles on which Hauge has been working as High command chief of staff.

[Question] What do you feel when you meet young Norwegians with "no to nuclear arms" badges on their lapels?

[Answer] Their objective is the right one, but I am afraid that I have to say to them that their wish is unrealistic in today's situation.

[Question] Would Norway's defenses not be credible outside NATO's nuclear umbrella?

[Answer] I don't think so. As long as Norway is a member of the Alliance I cannot envisage one NATO strategy for Norway and another for the other countries.

[Question] In other words there could be situations where you as chief of Norwegian Armed Forces would advise the government to call for nuclear arms?

"It is clear that it is possible to imagine such situations," Hauge said. He pointed out that the purely military combat effect of nuclear arms, used

in Norway, for example, is probably a great deal less than people usually imagine. The value of nuclear arms--if you can talk about value--lies at the political level.

"In Central Europe where it is possible to gather enormous concentrations of tanks and troops, nuclear arms could have a somewhat greater combat effect in the field. But even here it is first and foremost the deterrent effect which counts," Norway's future defense chief said.

He takes the view that by putting its house in order Norway can help to keep the nuclear threshold high. "The stronger our conventional defenses, the less we are dependent on nuclear arms," Hauge said.

"I have been personally present at six nuclear detonations. That was in Nevada in the early 50's. They made a deep impression on me, even though I was many miles away. I had the feeling of sitting in the first row of the cinema when the bombs went off. After the explosions we flew over the atomic clouds. It is something I will never forget," Hauge said.

[Question] How much will it cost for us to become so strong that we can rid ourselves of nuclear arms?

[Answer] We had a multiparty Defense Commission which put forward a model in 1978 for the defense forces' future structure. Our defense capacity was adapted to NATO's objective of being able to make a suitable response to any type of attack. If Norway is to make a contribution to further raising the nuclear threshold, we will have to increase our defense capacity more than the Defense Commission planned. However, the situation today is that we are not even in a position to fulfill the structure planned by the Defense Commission and supported by the Storting.

[Question] Does the weak economy force the defense forces to replan their structure?

[Answer] We will probably have to seek more radical solutions than we have been prepared for in the past. It is possible that there may have to be some cuts in those areas which are least significant for our defense capacity. But I can say that we will attempt to avoid making cuts in hunter aircraft squadrons, combat vessels and army brigades. Possible future cuts will hit activities which do not make such a direct contribution to combat capacity.
[Answer ends]

Of the concrete projects that are now in the pipeline Hauge said that the Navy's minesweepers are now in need of renewal. The frigates will probably be modernized in order to be in service through the year 2000. The army is having major materiel replacements. The number of projects for the army will together require vast sums.

[Question] Can you promise that new submarines will be ordered before the end of the year?

[Answer] I am convinced that we must aim for a submarine order. But I cannot say whether a contract will be signed this year, next year or the year after.
[Answer ends]

The 55-year-old Air Force general, who will replace Sverre Hamre in July, began his flying career during the war. It is now 10 years since he piloted an aircraft--it was an F-5 pursuit aircraft, a two-seater. He was also in the Navy, as a cadet at the Navy Academy in 1949. The major part of the 70's he spent behind closed doors in the intelligence service, the last few years as its chief.

[Question] Could the intelligence service not have avoided unwanted snooping by allowing a little less?

[Answer] I think so. The publicity we have had in the last few years has compromised much of the service, something which the service has on the whole benefited from. Greater openness means that snooping after sensationalism is less attractive. [Answer ends]

Having said this, Hamre said that today enough has been said, and that there is hardly any real need for more information about the intelligence service.

It is Hamre's view that in general the armed forces have benefited from showing greater openness. Today there is the right level of openness, and Hamre sees no need either for a relaxation or tightening up. At the same time as the armed forces profit from a public opinion which is better informed, openness also brings with it a greater risk of mistakes. Information which should not come out can more easily end up in the wrong hands.

[Question] You do not agree with those who claim that too much information is stamped secret and withheld from the public?

[Answer] No, I do not think we do so. We are as open as we can be.

Tom: 1985/98

GENERAL

CYPRUS

BRIEFS

NEW ADVISERS TO INTERLOCUTOR--In addition to Mrs Stella Soulioti, President Kiprianou today appointed two more advisers at the inter-Cypriot talks. The new advisers are Mr Georgios Stavrinakis, former minister of labor, and Mr Polyvios Polyviou, until now special adviser of the interlocutor on constitutional and other related matters. [Text] [NC052250 Nicosia Domestic Service in Greek 1630 GMT 5 May 82]

CSO: 4621/313

BRIEFS

GDR JOURNALIST JAILED FOR ESPIONAGE--Berlin, 3 May (DPA)--The third criminal bench of the Berlin higher regional court today jailed a 50 year-old GDR journalist for 2 years on a charge of espionage. He was found guilty of having made contacts from the spring of 1980 until his arrest last December with the son of the former head of the Berlin office of the federal press office in an attempt to recruit him as an intelligence agent for the GDR Ministry of State Security. The accused, believed by the court to be an officer of the Ministry of State Security, denied the charges. He claimed that he had contacted the son for personal reasons as an old friend of his father, now deceased, and not for intelligence motives. [Text] [LD040604 Hamburg DPA in German 1436 GMT 3 May 82 LD]

OFFICIAL JAILED FOR SPYING FOR GDR--Frankfurt, 7 May (DPA)--On Friday, the state protection senate of the Frankfurt higher regional court sentenced the former senior civil servant and department head in the Hesse Social Security Ministry, Erich Ziegenhain (48), to 2 years imprisonment, suspended with probation, for secret service activity and acceptance of bribes. The court established that during the years 1972-1979 the accused had supplied internal information from the ministry in Wiesbaden, from various EEC institutions and from the SPD district of southern Hesse to the GDR Ministry for State Security and had received payments of about Dm20,000. It was regarded as an extenuating circumstance that he had been blackmailed into his work as an agent by the GDR secret service. It was also in his favor that he had given himself up voluntarily to the FRG authorities after escaping to the GDR following his exposure and having been offered the prospect of an academic carrier in East Berlin. [Text] [LD071110 Hamburg DPA in German 1034 GMT 7 May 82]

CSO: 3103/450

RACIAL ISOLATION SEEN GREAT POLITICAL 'MINUS'

Athens TA NEA in Greek 17 Apr 82 p 1

[Article by Georgios Roussos: "Our 'Solitude'"]

[Text] Those who noticed were deeply moved by a kind of confession made by the prime minister in his important message to our Greek-American brothers. We are referring to the dramatic, deeply troubling sentence related to the almost age-old "solitude" of neo-Hellenism. "We are suffering a little from solitude!" This was simply but clearly put by the prime minister. And he immediately added by way of explanation: "Because our race has no close cousins and brothers!"

And this is, in a nutshell, one of the most significant of our national-political "minuses." For long centuries, our race, deprived of related peoples, was encircled by Latins, Franks, Saxons, Goths, Slavs and Muslims who were, if not our mortal enemies, at least naked adversaries, and who remained indifferent to our tribulations, when they actually did not secretly rejoice over our national sufferings and catastrophes.

No true friendship, no genuinely friendly disposition from anywhere, from anyone; only some hypocritical sympathy--sporadic at best--whenever they were dictated by foreign interests. This is, our racial "solitude," stressed by Andreas Papandreou in his speech to the AHEPA members asking the 3 million Greeks in the United States to actively and materially support the other 8 or 9 million in both Greece and Cyprus, who are living under almost constant threat.

This "solitude," then, (our racial "fate," if you will), certainly does not date from today or yesterday. It has existed for many years. Some historians believe it started with the fall of Byzantium, when our so-called Christian "brothers" of Europe remorselessly left Constantinople at the mercy of the Asian invaders, or when they themselves prepared, in a machiavellic and cruel manner, the "fall" of the very Hellenic Byzantium to be rid, once and for all--or so they believed--of this "troublesome" race of Greeks who opposed their interests in the Aegean and the Mediterranean seas. Indeed, European imperialists (great and small)--Venetians, French, British, Austrians, Russians, etc.--"relaxed" for about 4 centuries. They even played a dirty trick on the Greeks. Deceptively feeding them the promise that they would liberate them,

they would often incite them to rebel against the Ottoman Turks, cruelly abandoning them to the latter's tender mercies, as well as to their Socratic "solitude" once their "job" had been done.

This lasted until the sorely tried Greeks realized a simple but bitter truth, which was also being conveyed to them by an illustrious representative of the Western spirit, the great "doubter" of British beliefs, Lord Byron, the poet. He was the first to stress to us the famous statement:

"Do not seek freedom from the faithless Franks!

"Go to war with your own guns and swords!"

At about the same time some among us understood this very realistic truth and rose up to fight. Without any help. Very few. And alone. And they remained alone until the moment they prevailed. Only then did the great nations hasten to offer so-called assistance, while their true design was to "grab" whatever they could; they proceeded to fight among them, and finally succeeded into turning their alleged support (also with imperialistic ulterior motives) into a treacherous diminution of the little state they were finally compelled to recognize after its establishment.

Those fighters of 1821, therefore, freed themselves from the Turks unaided by anyone and continued their national life during the next decades in the same "solitude." And this is about the same "solitude" in which we exist today, "without cousins and brothers," and with only "friends," occasional, uncertain, opportunistic....

CSO: 4621/321

GENERAL

GREECE

BRIEFS

COMMUNICATIONS TALKS WITH ROMANIA--This afternoon, Communications Minister Evangelos Giannopoulos met with Romanian First Deputy Prime Minister Oprea and discussed matters of interest to Greece and Romania in the fields of transport and telecommunications. The Romanian first deputy prime minister expressed to Mr Giannopoulos his country's interest in supplying Greece with railway engines and coaches, participating in the electrification of railways, supplying Olympic Airways with helicopters and, moreover, in supplying urban trolley buses as well as material for railways and telecommunications. [Text]
[NC042226 Athens Domestic Service in Greek 2100 GMT 4 May 82]

CSO: 4621/313

RESEARCH VESSEL PIRI REIS READY TO SAIL

Istanbul CUMHURİYET in Turkish 8 Mar 82 pp 1, 11

[Report by Celal Baslangic]

[Text] Izmir--It has been announced that the research vessel, K. Piri Reis, which has been undergoing maintenance work for some time, will put to sea on 15 March.

The vessel, operated by the Institute of Marine Sciences and Technology of the Aegean University, was immobilized at the Naldoken Shipyard of the Navy's Repair and Support Command for annual maintenance work and seaworthiness inspection, after it completed a research project on the pollution of the Aegean Sea and the effects of currents on pollution.

Prof Erol Izdar, Director of the Institute of Marine Sciences and Technology, said that K. Piri Reis was involved in 30 research projects in the past 3 years and that it will put to sea on 15 March to determine currents in the Dardanelles and to carry out research on ways to utilize these currents.

Professor Izdar said that the Institute has prepared a project proposal related to the campaign sponsored by UNESCO to combat the pollution of the Mediterranean and that, in the event the proposal is approved, K. Piri Reis will study pollution in the Aegean.

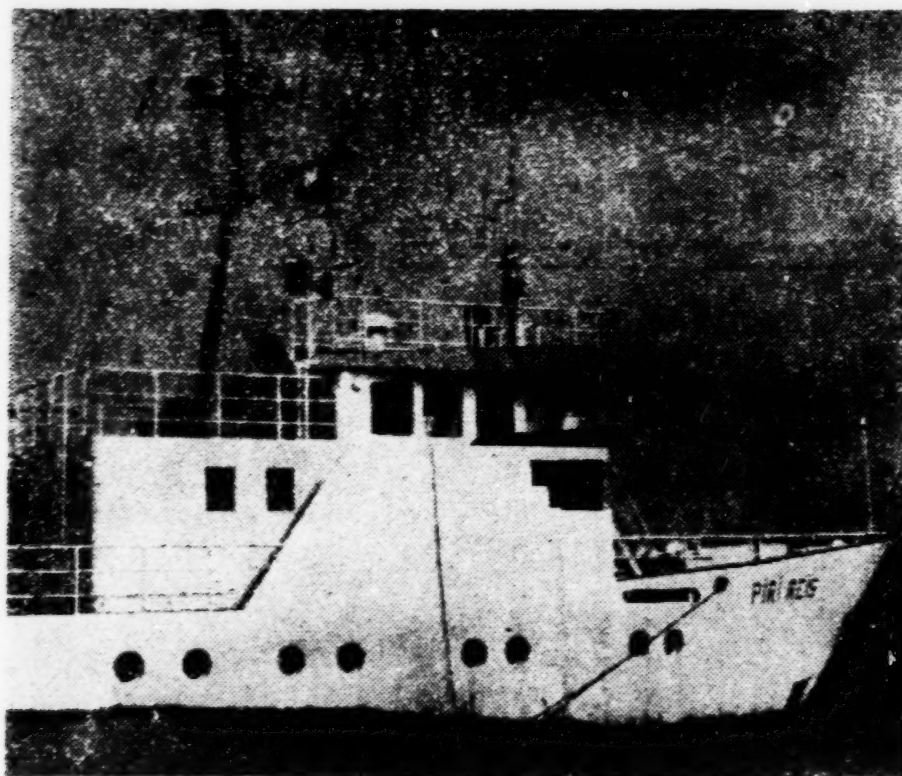
Professor Izdar stated that K. Piri Reis continues its work on the study of the distribution, concentration and monitoring of petroleum-based wastes dumped on international traffic lanes in the Aegean Sea. Professor Izdar added that the new crude oil unloading port facilities of the TPAO [Turkish Petroleum Corporation] Izmir Refinery have been completed.

The construction of K. Piri Reis began on 5 July 1975 following a proposal by the Aegean University and the approval of the State Planning Organization in 1974. The vessel was completed in 1978, 3 years 4 months after work was started.

Nationalized on 5 January 1978, K. Piri Reis is the most modern research vessel in its class among Mediterranean and West European countries.

From an application and design viewpoint, K. Piri Reis is capable of carrying out any type of research. The fields in which K. Piri Reis can work with existing equipment are as follows:

- Basic and auxiliary research on finding and economically mining submarine mineral beds.
- Geological and geophysical research work on the Turkish continental shelf.
- Geotechnical, sedimentological and other similar work and research on the structures of natural harbors and coasts.
- Basic oceanographic and hydrographic research for general and specific purposes on Turkey's coasts and open seas.
- Multidisciplinary research and project work on sea pollution, discharges into the seas and other related fields.
- Advanced practical training for qualified graduate and doctorate students within the work and research framework defined by the goals of the Institute.



The research vessel operated by the Institute of Marine Sciences and Technology of the Aegean University has been equipped with modern gadgets for doing scientific research work. The vessel is making last minute preparations to put to sea. It has been announced that K. Piri Reis will put to sea on 15 March.

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May 26, 1982